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Latin America Report

SPECIAL NOTICE INSIDE

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RESOLUTIONS OF MANAGUA COMMUNAL ORGANIZATIONS MEETING

Mexico City EL DIA ('METROPOLI' Supplement) in Spanish 9 Mar 87 pp 8, 9

[Passages enclosed in slantlines printed in boldface]

[Text] [Box, p 8] /The 1st Latin American Conference of Communal Organizations was held from 17 to 21 February in Managua, Nicaragua. Participating were 14 countries from this region and three countries acting as observers: Switzerland, Bulgaria, and the United States. Poor urban dwellers met to exchange experiences and to form a continent-wide organization that aims to assert the sovereignty of Latin American countries in the face of imperialism, and to combine efforts to achieve revolutionary social change./

/This section of "Metropoli," which we have called "Origin, Chronicle of the Other City" because its purpose is to introduce the reader to the precursors of the city that will occupy the political sphere in the 21st Century, was assigned by EL DIA to cover the event. Aside from those assigned by the Nicaraguan dailies BARRICADA and EL NUEVO DIARIO, we were the only journalists present. Also present were urban researchers, technical support groups linked to the popular urban movement, and cultural groups. Among these, one noteworthy individual was Mexican Enrique Cisneros of "Llanero Solitito."/

/Nicaragua lavished special attention on the conference, as manifested in its excellent hospitality and organization, and above all its political interest. Every day, high-ranking representatives of the Sandinist Revolution were in attendance, including Cmdr Leticia Herrera, coordinator of the Sandinist Defense Committees (CDS); and Ronald Paredes, a key player in the functioning of these committees. It is well known that the CDSs, as units of popular organization at the barrio level, played a determining role during the Sandinist insurrection of 1979. Today they are still playing such a role in the difficult task of consolidating the revolutionary regime./

/The delegates to the conference were also the special guests of President Daniel Ortega Saavedra on the occasion of two public events, "Facing the Nation" in Niriamba, and the Installation of the National Assembly in its 3rd Regular Legislative Session in Niquinohomo. They also witnessed a speech given by Cmdr Luis Carrion at the close of the conference, an address which was of particular importance to the Nicaraguan CDSs and to popular urban organizations throughout Latin America./

/"Origin" believes that this conference marks the beginning of a new stage in the development of popular urban movements in Latin America, and because of its continental scope, perhaps also in the Anglophone countries of the area. For this reason, we are reproducing the conference resolutions here. First we would like to warn the reader that we have retained the first-person style followed in Nicaragua by the delegates, and to alert him to the fact that behind these general guidelines, which are typical of an international forum, a new project of organization and popular struggle is already underway and will have an impact on Latin American cities by the end of this century./

Resolutions of 1st Latin American Conference of Communal Organizations

Gathered in the city of Managua, Nicaragua, the delegates of Latin American and Caribbean Communal Organizations, from Argentina, Brazil, Costa Rica, Cuba, Ecuador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Peru, Puerto Rico, the Dominican Republic, and Uruguay,

/WHEREAS:

1. The major urban masses in the majority of Latin American and Caribbean nations are suffering unjust and indecent living conditions because of the prevailing oppression and exploitation and the chaotic and anarchic growth of capitalist urbanization; and

This situation is forcing tens of millions of us to live without a secure and stable roof over our heads, without education or health care, deprived of the most elementary public services, usually lacking information about and democratic participation in the lives of our communities; and

2. In the recent past there has been a great wave of popular mobilizations struggling to improve living conditions; to attain adequate housing; to bring in water, schools, electrification, health, and other services; to combat the high cost of living and ensure adequate supplies to the people; to fight for employment; to struggle against repression and for democracy and community participation in all urban policy decisions that affect us. Through these struggles, we have been able to build social mass organizations that bring together broad sectors of blue-collar, white-collar, and non-salaried workers, artisans, etc., who in turn are struggling for specific demands. We have already formed a new social force of the working people which, as part of the exploited masses, has forged ties with the worker, peasant, teacher, student, and popular movements, and has played an important role in people-to-people solidarity./

As a new and powerful social force, we have learned to organize ourselves for collective participation in solving our own problems, for designing alternative popular projects, for politically educating the people, and also for confronting our class enemies: the hoarders and speculators, the major owners of land and of speculative real estate holdings, the antipopular and corrupt public officials, the police and military officials in the service of the oligarchies, the imperialists and their lackeys, etc.

We have discovered that the lack of budgeting for the most basic public services, the lack of attention to hunger, disease, and poverty, and the deplorable and excessive working conditions that are common to the majority of Latin Americans, are all closely linked to the way imperialist capital intends to resolve the crisis: by raising the levels of exploitation and subjugation of the people of poor countries.

We have proven that the unbearable burden of the foreign debt is being thrust upon the shoulders of the urban and rural workers, as the economic resources generated by our work are diverted to the huge foreign banks instead of providing bread for our children.

Worse yet, we have shown that to maintain its imperial domination, the Yankee government is unleashing wars of aggression and interventionist plans against the peoples who have been heroic enough to rebel and take power into their own hands to build a free and sovereign homeland.

Our organizations have developed unequally, with different histories of struggle and different geopolitical, social, and economic contexts. In some countries we have played an outstanding role in national liberation and the construction and defense of the new society; in others, we have managed to coordinate struggling organizations at the national level; and in some others, this is still an aspiration that the masses and their leaders must learn to realize. For this reason, we have found it necessary to share our experiences and learn from each other so that we can grow more, attain greater strength, and play a revolutionary role in the transformation of Latin America.

Knowing that we exist throughout the Americas, that we have established increasingly strong ties among ourselves, and that we regard ourselves as brothers in the struggle, we come to the firm conclusion that we must coordinate our efforts, lay down common objectives, and link our destinies with the commitment of solidarity and mutual aid.

THEREFORE BE IT RESOLVED:

1. That the /Continental Front of Communal Organizations/ be founded, with an anti-imperialist, democratic outlook, representing the interests of those who live in the urban areas of the Americas.

The Continental Front of Communal Organizations, which is born today in the land of Sandino, will from now on be a vigorous expression of everything peoples can do in their battle for social and political transformation from the barrio and the community.

2. That a public pronouncement be issued in defense of Nicaragua and its exemplary revolution, and against the criminal interference of the United States Government.

3. That 9 September (the date that since 1978 has been observed as the anniversary of the Sandinist Defense Committees) be designated the /"Day of Latin American and Caribbean Solidarity with Nicaragua."/

4. That the struggle of the peoples who are facing the brutal enemy of humanity, American imperialism, be supported decisively.

Thus, we offer our support to the noble cause of the peoples of El Salvador, Guatemala, Chile, and Haiti, and our solidarity to the peoples of Asia and Africa, particularly the Palestinian and South African peoples.

We are united with all peoples who advocate the rule of democracy and social justice.

We are against all forms of usurpation and violation of human rights. We demand the immediate release of all political prisoners and information on the whereabouts of the disappeared.

We support the struggle of the Panamanian people for the enforcement of the /Torrijos-Carter/ Agreements, and that of the Argentine people for the total recovery of the Malvinas Islands.

We are in favor of the independence of Puerto Rico.

We support the peoples of Honduras and Costa Rica in their struggle to evict the counterrevolutionaries and the U.S. military bases from their territory.

We believe that the efforts of the /Contadora Group/ and its /Support Group/ are laying the groundwork for a peaceful solution to the conflict.

For all these reasons, we condemn the imperialist manipulations aimed at dividing the Central American community, as evidenced by the abortive meeting in Costa Rica last 15 February 1987.

5. That the payment of the overwhelming and burdensome foreign debt by our countries be opposed, because this debt is the product of the social injustice of the system of domination imposed on them, and of the international capitalist crisis that is affecting us.

6. That the papers and comments of the delegates confirm that in the movements of urban residents throughout the Americas, women form the backbone of the Popular Urban Organizations, since they are primarily responsible for the reproduction of the family and spend the most time in the barrios. Latin American women always participate actively in the daily struggles, and are the first to take on tasks. They are already conquering a new equality and dignity, and are serving in positions of leadership. They are doing so through the Women's Organizations that deal with their specific problems. Women are a pillar of the Latin American popular urban movement.

The Continental Front of Communal Organizations will support all efforts aimed at strengthening the struggle for Women's Rights.

7. That from now on, these conferences be our top forums for discussion and approval of political and working resolutions, for which purpose a permanent Executive Commission will be formed, to be made up of Brazil, Peru, the Dominican Republic, Mexico, Honduras, and Nicaragua.

8. That Mexico be named to host the next conference in 1989, on a rotating basis, and that Nicaragua be designated the permanent headquarters of the Continental Front of Communal Organizations.

9. That mechanisms be established for permanent and timely communication as an effective means of coordinating our struggles and getting to know each other better. Brazil will be in charge of publishing a semiannual bulletin for the Front, with documentary--and journalistic--support from the other countries.

Continental Front of Communal Organizations

Here No One Gives In!

Managua, Nicaragua, 20 February 1987

[Box, p 9] Plan of Action and Operational Agreements

I. On the Continental Front of Communal Organizations:

--The Executive Commission will work on the formulation of principles and the content of projects, on the basis of presentations and daily experiences.

--The conference will take place every 2 years in different countries, to be selected on a rotational basis at the previous conference.

--The Executive Commission will meet annually to analyze the work done and to prepare for the next conference.

--The Executive Commission will present, in a timely manner, the objectives, themes, and methodology of the upcoming conferences.

--The Executive Commission's faculties will be: to enforce the resolutions passed at the conference, and to support, coordinate, and supervise the work of the Continental Front, encouraging new communal organizations to join.

--The coordination of the Executive Commission will be the responsibility of the Popular Organization and the country that have hosted the previous conference.

--Nicaragua is designated as the permanent headquarters of the Continental Front of Communal Organizations.

--The logo of the 1st Latin American Conference of Communal Organizations is adopted as the logo of the Front.

--The following slogan is adopted: /"For the Unity of Latin America and the Caribbean for Peace and Development."/

II. On Communication and Sharing Experiences:

--An informative bulletin is created to report on the results of the conferences and to share experiences from the struggles and methods of each popular organization in its own country to implement the common agreements.

--Brazil will be responsible for publishing the bulletin, which will come out every 6 months.

--The Sandinist Defense Committees will write the first bulletin, and will include the report of this conference.

--A copy of the resolutions will be sent to the UN, the OAS, and the /Contadora Group./

III. In the Solidarity Work:

--It is hereby declared that 9 September is the /Day of Latin American and Caribbean Solidarity with Nicaragua./

--It is agreed that a delegation will be sent to the World Habitat Forum in Berlin from 1 to 13 June 1987, where the problems of housing and the social environment will be discussed.

--On 6 October 1987 the /International Day of the Homeless/ will be observed as a region-wide demonstration for the right to housing and social services.

--Mobilizations will be held within the countries, and a delegation comprising two representatives from South America, two from Central America, and one from the Caribbean and Mexico will be sent to New York, headquarters of the UN, to present the demand of the Latin American urban dwellers to the nations of the world, report on the achievements of the communities, and firmly defend the Sandinist Popular Revolution.

--A Latin American celebration will be held in each country, to carry out the principal tasks of solidarity. It will begin on 9 September, the Latin American Day of Solidarity with the Sandinist Popular Revolution; it will include 6 October, the International Day of the Homeless; and it will culminate on 23 October with the Regional Mobilization against the payment of the foreign debt.

/Coordinator: Angel Mercado; Editorial Council: Pedro Moctezuma Barragan, Armando Ramirez Palomo, Juan Manuel Ramirez S., Javier Farrera Araujo, Martin Longoria, Braulio Hornedo R. (Cuernavaca), and Jorge Gonzalez Aragon (Puebla). "Origin, Chronicle of the Other City," appears every Monday on pages 8 and 9 of the "Metropoli" Supplement./

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CSO: 3248/268

BELIZE TIMES SEES GOVERNMENT AS 'PUSHED AROUND' BY U.S.

Belize City THE BELIZE TIMES in English 1 Mar 87 p 6

[Unattributed column "Dick & Jerry"]

[Text]

It has been a fascinating week on the political scene. The Prime Minister was inspired to use unseemly language, for a Prime Minister, in his attack on THE BELIZE TIMES. This outburst came about because the press reported the anxiety which floated about among the cognizant about devaluation. We are glad to hear that our fears were unreal but regret the conduct of the Head of the Government of Belize.

This week also sees new revelations. We recall the public denials of the Prime Minister that Belize is being used for the transportation of arms to the CONTRAS in Nicaragua. We remember that reports that Southern Air Services Inc. used Belize as a refueling base on their way to the Contras were also denied. Now there is proof that Southern Air does use Belize, lands at the International Airport in broad daylight carrying secret cargo with the connivance of our government. What also started as denied rumour, is now proven fact. "What a tangled web we weave....."

To add to these events, the story pouring out of Dangriga about the invasion of the Marines is hard to believe. No stevedore has earned one penny on the Commerce Bight Pier when closed cases of goods (of what kind is unknown) pour into the port and are off-loaded by U.S. Marines. When the goods arrive the Marines cordon off the entire port area and no Belizean is allowed to get even close. Appalled at being prevented from moving freely in his own country, one Belizean challenged a Marine only to be told that he should refer to his government, for what the Marines were doing had been approved by the Belizean government. To the people of Dangriga there is growing resentment at being pushed around in their own country by troops from a foreign land.

/9317

CSO: 3298/186

OPPOSITION PUP TAKES AIM AT ESQUIVEL'S PROPOSED BUDGET

BELIZE TIMES Report

Belize City THE BELIZE TIMES in English 29 Mar 87 pp 1, 12

[Text]

The Prime Minister, the Right Honourable Manuel Esquivel, presented his government's 1987/88 national budget and made the budget speech in the House of Representatives, Belmopan, on Friday, March 20, 1987.

The budget proposes a total expenditure of \$236.4 million and revenue of \$128.5 million dollars which makes a deficit of \$97.9 million to be financed from domestic and foreign sources.

The budget is divided in two parts: (1) the recurrent budget with expenditure of \$134.6 million and revenue of \$114.2 million; and (2) a capital budget with expenditure of \$91.8 million and revenue of \$14.3 million.

The budget speech contained some tax relief measures: (1) the exemption of estate duty on the principal residence left by a deceased head of family; (2) income tax deduction for depreciation of hotel buildings and (3) income tax exemption on pensions.

More assistance is proposed for private secondary schools by increasing government's contribution by five per cent from 60% to 65%.

Also proposed is an expenditure of two million dollars to further implement the recommendations of the Public Service Report.

This expenditure will involve salary adjustments to improve conditions for teachers, nurses, policemen and senior management.

The Belize City Council and Town Boards will have a new source of income when a scheme to provide the issuing of tickets for traffic violations and other minor offences is introduced, said the Prime Minister.

The proposals for new tax increases include 25 cents per U.S. gallon on gasoline and diesel and 10 cents per U.S. gallon of kerosene. These increases will take effect when the next shipment of fuel arrives.

A fee is proposed to be levied for border crossings: \$20 for buses and \$5 for other vehicles.

There will also be a charge for persons crossing the border: \$1.00 per person per crossing. Income tax certificates will also cost \$1.00 each. For frequent travellers an exit certificate is proposed for twelve months for a fee of \$5.00 provided the person meets the requirements of the Income Tax Department.

These new tax revenue measures expected to generate an additional \$ 4.5 million dollars during the next twelve months.

The capital budget provides expenditure for on going projects and include some other projects such as expansion of the BDF to provide for a third rifle company, housing, completion of the Western Highway, new International Airport terminal, apron and runway, expansion of telephone and telecommunications services, new telephone exchange building, new Belize City Hospital, new building for the University College of Belize, access roads and bridges, reconstruction of the Hummingbird Highway, new factory shells for manufacturing industries.

Expenditure is also proposed to finance livestock development, crop diversification for export, Toledo small farmers development, Toledo Agricultural marketing, agricultural credits, tourism and industrial credits, training for employment.

Information is that practically all these projects reflect projects in the development plans left by the P.U.P. government in 1984 with the exception of the proposed building for the University College of Belize in place of the BELCAST project which was cancelled.

The BELCAST project was a much larger one and would have enhanced the development of Belmopan and the progress of education in the Country of Belize .

THE DEFICIT

Last year the Government was unable to balance the budget projecting a deficit of \$34 million. The Prime Minister while emphasizing that our international reserves at the end of 1986 stood at \$53.5 was forced to admit an inability to balance the budget. Said Mr. Esquivel: "Mr Speaker in spite of the several new revenue measures that were introduced last year, an overall deficit of approximately \$46 million is expected in the 1986/87 fiscal year. This suggests the need to continue our policy of tight expenditure control."

The main factors contributing to the increase in the international reserves, said the Prime Minister were (1) the increase in the price of sugar during the first half of the year; (2) a significant reduction in the import bill for oil following the dramatic fall in world prices, and (3) inflows of funds for projects financing and inflows on the services account.

The amount saved by the country on its import bill from the fall in the world price of oil has been estimated at some \$10. million.

But despite these savings brought about by favourable world conditions, the government was once again unable to balance the budget this year. Indeed the Prime Minister warned that "Government must still wrestle with a

financing gap of recurrent expenditure over recurrent revenue."

No amount of book keeping manipulation was able to conceal the fact that this new budget, even when account is taken of all the foreign loans injected into the economy, will still be running into a major finance gap (deficit) of between \$30 million to \$40 million.

Another disturbing indicator was the major increase in the external debt which has gone up from US\$70 million in December 1984 to US\$104.2 million.

In two years the UDP Administration has borrowed \$68 million (US\$34 million) sending up the foreign debt by as much as 50% over what it was when they came to office.

Marin Reply in Parliament

Belize City THE BELIZE TIMES in English 29 Mar 87 pp A, B-C, D

[Apparent text of opposition response to proposed government budget by PUP Parliamentary Leader Florencio Marin on 26 Mar 87]

[Text] Mr Speaker:

The 1987/88 budget speech to the nation of Belize, delivered a week ago in this house, tends to paint a triumphant picture of the economy. It pretends to show that much progress has been made since 1985 and that all is going well.

Success of the IMF Programme

I cannot agree that all is going well with the economy. I would dare to say that there has been some improvement and that it is due in large measure to the arrangements made by the P.U.P. government in the middle of 1984. The truth would demand that some recognition be given to this fact.

According to the World Bank, the present economic situation has improved because the P.U.P. government introduced an adjustment programme in mid-1984 together with an IMF Stand-By programme that ran from December 1984 to June 1986.

This adjustment programme forestalled further deterioration in fiscal performance. There was a substantial improvement in the performance of the public sector as a result of tariff increased for utilities and improved managerial performance, all of which followed from the adjustment programme of mid-1984.

Again, according to the World Bank, the aim of the programme was (1) to improve the net international reserve position and (2) to reduce the public sector's reliance on commercial borrowing.

In both respects, the adjustment programme was very successful.

Our relationship with the International Monetary Fund should not be treated cynically in the manner of the budget speech. Belize has a loan to be

repaid to the IMF. Some day the government may have to go back to the IMF because it is a small and poor developing country. It is wise to keep the door open.

Rising External Debt

Despite some improvement, the picture of Belize's economy is not a triumphant one. When you read between the lines of the budget speech and look at the reality behind certain statements of alleged achievements by government, we can detect that there are hidden problems notwithstanding the manner in which some facts and figures are presented.

There has been a rising level of external debt. Such growing external debt will reverse the successes of the IMF adjustment programme to which the previous and the present governments have contributed. All these debts will have to be paid and their repayment will divert large portions of revenue from financing the goods and services the public sector must provide.

The budget speech places the total outstanding external debt at \$104.2 million U.S. dollars on December 31, 1986. Put that way, it masks the fact that the true debt is \$208.4 m. Belize dollars. This sum is fifty-five percent of the gross national product (55% GNP). This is a high ratio in the present circumstances.

In 1984 the external debt stood at about \$70 million U.S. dollars. Today it has increased some \$34 million U.S. dollars. In twenty years the P.U.P. governments borrowed at a yearly average of \$3.5 million U.S. dollars. In two years the UDP government has borrowed at a yearly average of \$17 million U.S. dollars--about five times more.

At this rate of borrowing the government is leading Belize to economic disaster, because such borrowing entails substantial charges on the revenue of future budgets.

A Growing Deficit

There is a growing deficit in the budget which proposes to spend more than is collected and makes up the difference by more borrowing.

I quote from the budget speech: "the latest available information indicates that the overall cash deficit of the Central Government will be \$30.3 million dollars in the fiscal year now ending." (unquote)

A few paragraphs later in the budget speech there is reference to an overall deficit of approximately \$46 million dollars. Whether the correct amount is \$30 million or \$46 million dollars, it is still a large deficit and invites more explanation than is given.

Honourable Members should recall that the 1986/87 budget had a deficit of \$34 million dollars. To close the gap government proposed to raise \$9 million dollars from domestic borrowing; \$15 million dollars from US-AID loans and \$10 million dollars from the Belize Loans Act. I take it that the bonds on sale by the Belize Loans Act implies the sale of Belizeans passports.

The projected deficit of \$34 million dollars which was announced last year appears to have been converted to a deficit of \$30 million dollars or \$46 million dollars at the out-turn of fiscal year 1986/87.

There is need for some explanation. The House and the people of Belize have the right to know the answers to questions such as:

Whence the shortfall?

Was it a failure to raise the \$9 million dollars from domestic borrowing?

Or, a failure to get loans from the US AID?

Or, a failure to sell \$10 million bonds and passports?

If the answers to the foregoing questions do not explain the large deficit of \$30 or \$46 million dollars, what then is the explanation? Was there a shortfall of revenue from other heads? Or, was it a failure to obtain funds from other sources? Or, was it the financing of some expenditure not in the annual budget? In fact, Mr Speaker, this budget speaks louder by what is left unsaid than from what is said. Three years of deficit budgeting is certainly the way to economic ruin.

How Will the Deficit Be Financed?

The government's ill-advised practice of presenting deficit budgets continues. The budget speech announces a deficit of \$97.9 million dollars for the next fiscal year. This needs some unravelling. I must continue to ask questions which hopefully the government will answer during the debate.

According to the budget speech, there is a deficit of \$20.4 million dollars in the recurrent budget. In the Capital Budget there appears a deficit of \$77.5 million dollars. These two deficit figures total \$97.9 million.

From the skeleton figures in the budget speech, it would appear that to finance the deficit of \$97.9 million dollars, it is proposed to raise \$10.8 million from domestic sources and the balance of \$87.1 million dollars from foreign sources. If some funds from foreign sources to finance the capital budget are assured, why treat them as a deficit? Also, what is the source of \$14.3 million dollars listed as capital revenue? Are they loans? It is certainly my hope, Mr Speaker, that it does not include the \$8.0 million from the sale of wheat which belongs to the cane farmers.

Would the government please explain the real position of the deficit and how it proposes to balance the budget during this coming fiscal year. I would agree that the form of presentation is not the usual one, and that may account for the difficulty in getting a clear and sure picture.

There is, of course, reference to increased taxation which should yield \$4.5 million dollars. This amount would be forthcoming from an increase of fuel tax and a levy on border crossing by persons and vehicles.

The foregoing amount of \$4.5 million dollars would not equal the amount of \$10.8 million dollars described as revenue in the capital budget which government proposes to raise from domestic sources.

These tax measures past and present are contrary to the UDP manifesto that promises: I quote "We reject proposals to increase taxes in a misguided effort to increase government revenue." There is no doubt in my mind, and in the minds of many people that the proposed increases in taxation now and in the future are for the explicit purpose of raising revenue in order to balance a deficit budget.

INTERNATIONAL RESERVES-LOANS

Let us turn to the International reserves. The budget speech says that at the end of 1986 such reserves stood at \$53.5 million dollars.

It goes on to say and I quote "Among the important factors which contributed to the improvement were the increase in the price of sugar during the first half of the year, a significant reduction in the import bill for oil following the dramatic fall in world prices, inflows of funds for project financing and inflows on the services account." More money from sugar and more savings from oil were gratuitous factors resulting from improved world conditions - not a triumph of government's efforts.

The House and the people deserve more information on this important factor in our fiscal system. How much is from the increase in the price of sugar? How much from the inflows for project financing and inflows on service account?

Were such inflows for project financing grants which do not have to be repaid? Or, were they loans which have to be repaid? And if loans, what are the terms of repayment.

Mr. Speaker, I pray your indulgence for my simplistic reasoning but I am at a loss to understand the self-praise in which Ministers wallow relating to these reserves of \$53.5 million. If at the end of the year's operation, you have borrowed more than you saved, to my simple mind you end up with a net loss. Over the last two years government has borrowed U.S. 34 million (i.e \$68 million Belize) and has saved only \$53.5 million Belize. The bottom line is, that this represents, on the operation of this administration over two years, a net loss of \$14.5 million or a net operating loss of \$7.25 million each year. At this rate we are heading for bankruptcy if this does not stop.

SMALL ECONOMIC GROWTH

A reference to the economic activity in 1986 tells about a slight improvement over 1984 and 1985. It tells that preliminary estimates indicate that the gross domestic product (GDP) expanded approximately 1.5%.

A comparison with former years made by the World Bank may help to place this subject in its proper perspective. The World Bank says that "the economy of Belize expanded steadily during most of the 1970s when real gross national product (GNP) grew at an average of five per cent (5) a year."

It was during these years of the P.U.P. governments that the foundation was laid for future development. It culminated with the attainment of independence and the potential of more development with more international economic cooperation. Is there any recognition of this important fact?

We do appreciate and we are grateful for the cooperation of our International partners in economic development and for our survival as a nation: the United Nations, the United Kingdom, the Caribbean Community, Canada, the Commonwealth, the European Economic Community, the Non-Aligned Movement, the United States of America, Mexico and with other countries with whom we have relations, diplomatic and otherwise.

We would appeal to the industrial countries that they do more to strengthen the North-South programme for survival. This programme entails a four-fold relationship:- (1) large scale transfers of resources to developing countries which would be more helpful if they are grants; (2) an international energy strategy; (3) a global food programme and (4) major reforms in the international economic system.

BELIZE AND THE CENTRAL AMERICAN REGION

Belize is a part of the Central American region which is convulsed by civil strife and by armed conflict in some areas. It should be our foreign policy to do all that is possible to encourage and help a peaceful settlement without being drawn by any covert act into taking sides.

We believe that the best hope for a peaceful settlement rests with the CONTADORA AND SUPPORT GROUPS. We hope for the successful outcome of their work to bring peace and stability to our region so that the vast sums spent in the armed struggle and civil strife might be devoted to economic development and social progress.

The expenditure in the budget on our security forces must be for Belize's defence and security ONLY. Our security forces must not be used to aid or abet either side of the armed struggle. Our policy should be one of strict neutrality as we work to keep our own house in order.

Our policy should be one of firm adherence to national and international law which includes the principles of self-determination, non-intervention and the peaceful settlement of disputes.

While considering the Central American region, would government inform the House and the people about the outcome of the recent trade mission from Guatemala?

PRIVATISATION OF THE BTA

If the Belize Telecommunications Authority is such a profitable service, why sell it? Since BTA has a projected surplus of \$5.1 million dollars, as mentioned in the budget speech, it would seem more profitable, in the long run, for government to retain ownership of it and to transfer its profits to public revenue. In this way profit-making bodies would help to spread the wealth among all the people.

There is also another reason to keep the expanded BTA out of private hands. The security of the State demands it. It is vital for confidence in commerce, that commercial communications should not be in the control of a competitor. It is important that both local and international messages should enjoy extreme confidentiality and secrecy. In times of emergency this need is even greater. Departure from this will only lead to the deterioration of the system. For customers, who are able, will organize their own communications facilities. With today's technology this is not difficult.

My information is that in some countries around us, the telephone and telecommunications were once in private hands and they had to be transferred to state ownership in order to improve and to expand the service in the best interests of the consumer.

FOUNDATION OF ECONOMIC GROWTH

Whatever triumphant conditions ~~that~~ may exist today, they would have resulted from building on the economic foundation laid at the cost of much sacrifice, hard work, good husbandry and dedication of previous governments with the support of the people.

The budget speech pays tribute to Social Security and its substantial savings which now assist government to finance public projects.

It also pays tribute to the increased production of some agricultural commodities by industries which were founded and which survived in the early stage of development previous to 1985.

A reduction of rice from 12.3 million pounds of paddy in 1985 to 9.7 million pounds in 1986 is significant. 2.5 million pounds reduction is a large quantity. Rice is a staple food. In previous years Belize was self-sufficient.

Is the reduction due to government's neglect of the farmers? Or importation from across the border? Or, failure of production by Big Falls, Belize District? The rice industry needs more attention from government and more cooperation with the rice growers.

SUGAR : the export income of sugar is said to have increased by 15% due to better prices. It was the previous government's belief that prices would improve which led to the agreement to keep open the Libertad Sugar Factory. Such better prices, now acknowledged, is an argument against its closure and the rejection of the letter of intent.

The future of the sugar industry is bedevilled by the proposed increases of the fuel tax and the proposed levy of fees on border crossing to be paid by persons and vehicles.

The hoped-for re-opening of the Libertad Factory to produce alcohol has hurdles yet to cross before it becomes an economic reality and an asset to the sugarcane farmers of the Corozal District. For the welfare of the district, I hope and pray that the factory will again open and provide jobs which were lost by its closure. These jobs cannot be adequately compensated by the 687 new jobs created by the 19 new investments standing at \$ 18.7 million dollars according to the budget speech.

I would be failing in my duty, however, if I didn't point out that while we approve of the reopening of the factory, there is another aspect of the project which is anathema to any patriotic Belizean. It is understood that Petrojam will be allowed to revive plantation style cultivation of sugar cane in Belize. That retrograde and demeaning type of cultivation left our shores at the beginning of the last decade. It would be an everlasting

shame to return to that antiquity as we face the decade of the nineties. Belizean cane farmers have excess sugar cane and can increase production to supply any quantity of cane required by Petrojam of the highest quality if the price is right so that financing is available. It would be intolerable if this archaic device was used to artificially reduce cane prices by an over-supply. This would be unacceptable.

Turning to the nineteen new investments, would government please inform the House and the people more about these nineteen new investments. Do they include investments in the production of tropical fruit and vegetables for the winter markets of the North? Honourable Members should recall that this is not a new kind of industry.

In the 1960s and the 1970s there were such industries which did not last long. A monument to the passing of one of them is the abandoned Gopher's Hole, mini-seaport, on the Western Highway. We wish a better fate to this new investment.

Developments in the industrial field require further attention on two fronts. There is some inconsistency in the reports which this House receives. Last year we were told about 25 new industries which would spring forth in 1986-87, we have not seen even one-quarter of these. Instead the Minister now refers to nineteen new industries. We were also told that the 25 new industries would bring 2,000 new jobs, now we are told about only 687 new jobs. Last year the nation was promised investment of \$35 million from these new industries and now we are told of an investment of only \$18.7 million.

Mr. Speaker, this House and the country are entitled to an explanation, for the results seem to show that the policy of this administration of placing the industrial development of this country on reliance exclusively upon the willingness of foreigners to come and invest in Belize, has failed. The development of this country is far more likely to succeed when Belizeans are given the first opportunity to invest in the development of their own country and to bring in foreign investment, in partnership, to add modern technology; to offer export

marketing expertise and to add large scale capital. It is a mistake to turn over industrial development of the country into the hands of foreigners.

A few examples of what is happening will suffice. I have already mentioned the Petrojam project and the return to plantation cultivation of cane, reducing Belizeans to field hands. The Coca Cola project is not different. We no longer hear of aloa vera'. Vegetables seem to be going in the same direction with Belizeans as planters and pickers. In fishing, the seas are being overfished and production is down no sooner than foreigners are beliet into our fishing waters. In the tourist industry, we hear of large hotels in which our people will only be able to work. Even in taxies, we hear of a large fleet in which Belizeans are only drivers. In each case, development may be more rapid but the profits of these enterprises will go abroad and the crumbs left for our brothers and sisters are the reward of menial tasks.

MORE INCOME FOR SOME PUBLIC SERVANTS

The proposal to increase the income of some public servants is a positive development. The \$2 million dollars is about one third the cost of last year's increase. It should bring relief to those who are most in need.

Two comments need however to be made about the scheme for paying incentives. Of necessity, these must be discretionary and the last three years have shown, by the total destruction and demoralization of the service, how fatal political patronage can operate. The very need for this incentive scheme is testimony of the broken spirits of public officers. If properly used incentives might restore this spirit of service, but if abused, it could sound the final death knell to what was once a useful institution.

On the other hand, in the long run these benefits will be eroded if the financing comes from borrowed money which will have to be repaid. The repayment will have to come from increased taxation such as the proposed increases in the price of fuel and the proposed charge on travelling across the

border in search of goods at less cost, which in turn, helps to keep down the rate of inflation as the budget speech admits.

According to the World Bank, the depreciation of the Guatemalan quetzal helped to hold down the cost of food imports into Belize and to hold down the rate of inflation. The same can be said about the Mexican peso.

Mr Speaker: I have referred several times to the World Bank. It is the report entitled BELIZE ECONOMIC REPORT dated December 18, 1986. Since it has not yet been laid on the table of the National Assembly, would the government please do so.

MASSIVE REVENUE MEASURES

The proposal to increase the cost of gasoline and diesel by 25 cents a U.S. gallon and kerosene by 10 cents a U.S. gallon as well as the fees for border crossing do constitute a massive revenue measure when added to the large increases of taxation that have been imposed during the past two years of the UDP administration.

We shall not soon forget the celebration of the budget of no taxation. Nor shall we overlook the statement of the Prime Minister this year in his speech.

"Mr. Speaker, in spite of the several new revenue measures that were introduced last year, an overall deficit of approximately \$ 46 million is reported in the 1986/87 financial year."

Yes, Mr. Speaker, we shall remember well the several new revenue measures:

The 15% increase of Customs Duty, the Income Tax surcharge on Company profits, increase motor vehicle licences, increase on petroleum products before the new raise for this year, increased postal sales, increased port charges, increased airport departure tax, increased hotel occupancy tax, increased tax on soft drinks and liquor, the with-holding tax on payment of foreign loans and all the other increases.

Such taxation raises up the cost of production of goods and services and the cost of living at a time when government's development strategy is said to encourage more exports, to provide more employment and to keep down the cost of living.

The effect of such increases must have an adverse effect on the rate of inflation because the importation of goods from across the borders becomes more expensive due to the cost of transportation and the payment of border passes.

SCHEME TO ISSUE TICKETS FOR TRAFFIC VIOLATIONS

The proposed scheme to issue tickets for traffic violations and other minor offences can lead to abuses unless it is properly supervised and controlled.

The question arises:- can it be properly supervised and controlled? For it to be a successful measure to help municipal bodies, government must ensure that the cost of its administration does not exceed the revenue collected.

It is to be hoped also that cases of dispute, will not be relegated to some political functionary sitting in City Hall but that the citizen's full rights to a trial before a competent court of law, with full rights of appeal, will be preserved.

PITFALLS AHEAD

The outlook is not one of triumphs and conversion of these triumphs to individual advancement and a better life. Perhaps it is so for some individuals but not for the Belizean people in general.

There are pitfalls ahead of us. The way is exposed to world market conditions. It depends on the repayment of bigger loans.

It depends on balancing a large deficit budget. It depends on effective control of expenditure and collection of revenue. It depends, above all, on hard work and dedication of the people and the government.

When a party makes big promises and some false promises to the electorate, it faces a difficult time when in government. The blame for the inability and the incompetence to fulfill such promises ought to be placed where it is due. It should not be placed on the previous government which made successful arrangements for the payment of all arrears

of debt and for the improvement of public finances.

I feel obliged to issue a word of warning amid all the rejoicing and back-slapping. The World Bank Report shows that the foreign reserves about which government is so proud is NOT an insurance against long term balance of payments problems and it admonishes us to persevere in an effort to develop trade. It also advises that, in our condition, it would be important to adopt an appropriate exchange rate policy, among other measures. It goes on to say, that the real effective exchange rate needs to be continuously monitored to ensure domestic competitiveness.

Mr Speaker, we issue this warning, and support the view of the World Bank, that the stability of our Dollar depends NOT on savings in New York, but upon our development of goods to trade. This will not come from the massive inflationary situations which chronic budget deficits bring. Let the government be warned of the direction in which its policies are heading!

ECONOMIC PLAN AND STRATEGY

The list of projects in the foreign capital budget reflects projects in the development plans of P.U.P. governments. This is all to the good because it ensures continuity of the development process which can redound to the people's welfare.

However we see a need to give higher priority and more attention to some projects such as: the repair and maintenance of sugar roads; repair to pumps in some communities, especially during the dry season; a major bridge at Big Falls on the Southern Highway Rio Grande, Toledo District; extension of public utilities in Belmopan which deserves more attention; more land reclamation in Belize City to provide for house lots; more development in rural areas to reduce overcrowding in some urban areas; more schools and community projects.

The budget speech outlines an economic strategy, the main structures of which reflect our policy. We support such strategy when it includes:

- (1) the promotion of exports and the stimulation of import substitution;
- (2) a priority given to agro-marine-forestry industries and tourism;
- (3) the improvement and the expansion of the services and infrastructure for further developments;
- (4) a humanitarian immigration policy;
- (5) a reduction of deficit financing and better control of expenditure and revenue collection.

Indeed, such a strategy embodies some of the main principles and policies for development promoted by the People's United Party. For this reason, and in this context, we support it with the basic caution that there be a return to a balanced budget, an over-riding strategy for the promotion of self-sufficiency and self-reliance; the avoidance of excessive borrowing, the exclusion of partisan-political expenditure, and a re-ordering of priorities to give preference to projects which will provide the basic needs of workers, farmers, fishermen, civil servants, government employees, professionals, employers and employees, the unemployed and in general people who are poor and are in need of such help. In other words, projects which will benefit all the country and its people as a whole.

The country has, however, suffered the results of the recession brought about by the choking effects of sucking funds out of the economy into bank accounts in New York. We note the tendency towards neo-colonialism which is inevitable when the strategy for industrial development is directed exclusively to inviting Aliens from abroad to invest in Belize. We face the irreversible prospects of unbearable debt repayment schedules which posterity must confront because of the chronic, escalating budget deficits. All is not well and a new effort must be made to match reality with the platitudes for which this administration has become famous.

The strategy for development cannot be hindered by the government's chronic need for revenues for its wild spending sprees, its greed for revenues induced it to impose the 25% withholding tax on repayments of loans from abroad. This single thoughtless and inappropriate tax dries up investment capital from abroad. If the lender pays it, his investment in Belize is rendered worthless for it eats up all profits. If the borrower pays it, the foreign loan becomes too expensive to contemplate. Hence, there will be no more loans and no withholding tax to collect. Ultimately, no capital will flow from abroad.

Proposals for a Bi-partisan Policy

The party in government can help to contribute to a bi-partisan approach in trying to solve national problems if recognition is given to the development process which over the years of work and achievement of the peaceful, constructive revolution has brought Belize to the final decades of the twentieth century.

We pray, Mr Sepaker, in our national prayer for the people and the government of Belize. We ask Almighty and Eternal God to protect and to preserve Belize, to assist our Belizean government and people with the Spirit of counsel and fortitude so that together we attain our just objectives: of a better life in a just, peaceful and prosperous nation--an independent Belize with sovereignty over all its territory. So let it be!

Belmopan, Belize
March 26, 1987

Interruptions to Marin Speech

Belize City THE BELIZE TIMES in English 29 Mar 87 p 1

[Text]

BELIZE CITY

THURSDAY MARCH 26, 1987

The Hon. Flórencio Marin, PUP Parliamentary Leader, was interrupted in his reply to the Budget Speech when he referred to a policy of self-determination, non-intervention and the peaceful settlement of disputes.

The comment was directed to the Belize Defence Force which was part of the budget. But the Speaker ruled that the PUP Parliamentary Leader should not say that "the expenditure in the budget on our security forces must be for Belize's defence and must not be used to aid and abet either side of the armed struggle. Our policy should be one of strict neutrality as we work to keep our house in order."

Mr. Marin was also rudely interrupted when he attempted to ask

that government inform the House and the people about the outcome of the recent trade mission from Guatemala.

In its one sentence report on Mr. Marin's reply to the budget, Radio One said that the Opposition supported the budget. Mr. Marin's address which gives critical analysis of the budget was not aired over the A.M. frequency only on FM, which is confined to listeners in Belize City.

Again Mr. Marin in concluding his speech was interrupted by the Prime Minister when he was reciting "our" national prayer. The PM said that it is not the national prayer. But Mr. Marin maintained that it was the national prayer for many years and was prayed in the House until the change of Government.

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CSO: 3298/186

BELIZE TIMES RESPONDS TO ESQUIVEL'S ATTACK ON PAPER

Belize City THE BELIZE TIMES in English 1 Mar 87 pp 1, 5, 8

[Text]

It was strange to hear our Prime Minister use the floor of the House of Representatives to react emotionally and unrestrainedly as he rebuked THE BELIZE TIMES on the issue of devaluation. This tirade was all the more unreasoned since THE BELIZE TIMES based its report on the disquiet in the community over a series of events interpreted as menacing. THE BELIZE TIMES even went as far as to headline the denial of the Governor of the Central Bank on the issue.

Surely there is more to the PM's reaction than the story which appeared in THE BELIZE TIMES. This is not the first time that the press has sensed the foreboding of the business community as it scurries to take cover in circumstances where it becomes alarmed at the financial prospects of the moment. This is not the first time, nor will it be the last, that the devaluation monkey has flashed panic upon the financial scene. Yet never have we witnessed such a violent and impassioned reaction from a PM.

How is this bullying bluster to be interpreted when at the end of it all, the PM does not deny

that the dollar will be devalued or that the events to which pundits point, occur. Indeed, other sections of the press confirm the circumstances which led to this conclusion of impending devaluation,

was his derangement brought about by the amount of hard information which THE BELIZE TIMES had collected? Was he upset because his innermost sanctum had been penetrated? Or, was he wild at the fact that the pressure of those revelations stole away one of his budgetary options?

There can be no doubt that he faces the problems of a bad financial year, that budgetary performance for 1986/87 was poor, that he has a deficit in the last financial year, that he has a wide gap to close between projected expenditure and estimated revenue in 1987/88, that his efforts to borrow in order to close that gap resulted in demands from the lenders for a devaluation of our dollar, and that he faces a serious problem in the preparation of his new budget.

The solution to this problem is to either (a) reduce expenditure by reducing or discarding projects

until it equals revenue, or (b) increase revenue by more taxation until it equals expenditure, or (c) borrow enough funds to add to revenue so that the budget balances.

The events of the last 2 weeks removed the last option and left the PM with only the first 2, for the unmasking of this situation and the public reaction to the crisis force the Prime Minister to abandon this option of devaluation and to publicly condemn that possibility. The result of all this, is that he cannot now secure the loan he might have contemplated, for, to such a loan, is tied that uncompromising strings of devaluation.

The PM is now out on a limb. He must force his colleagues to forego projects which are dear to their hearts in order to reduce proposed expenditure for the ensuing year. On the other hand there is unlikely to be more revenue during the year, even with more politically unpopular taxation. Being

forced to bend, as he has, therefore, to the popular will as expressed in THE BELIZE TIMES, the PM's anger vented against the newspaper on behalf of the people, is an expression of how difficult his task has become.

The PM should recall however, when his anger abates, that in the democratic system, it is his duty to govern in accordance with the will of the majority. The majority find devaluation distasteful and inappropriate. Having thus accepted the dictates of the people he must now face, with equal candor, the task of controlling the appetites of his fellow Ministers for exorbitant spending. Trim their sails accordingly, Mr. PM, for the people have spoken and in speaking up so promptly, may have averted a greater disaster of rejecting your budget and forcing its withdrawal had it been presented together with a devaluation of the dollar.

"A stitch in time . . . !

/9317

CSO: 3298/186

MEDIA REPORT ASPECTS OF GUATEMALAN TRADE MISSION'S VISIT

BEACON's Analysis

Belize City THE BEACON in English 14 Mar 87 pp 1, 2

[Text]

THE high powered Guatemalan trade mission which visited Belize this week, was supposed to have been led by the Minister of the Economy Lic. Lizardo Sosa Lopez.

The decision of the Guatemalan Government to appoint a high level minister to head the first ever economic mission to visit Belize, is widely believed to have been in the context of a genuine desire to settle the century old territorial dispute over Belize.

Recent reports in both the Guatemalan and foreign news media have persistently indicated that the will they-won't they settle courtship between Belize and Guatemala at last now looks more on than off. For the most part, these reports have claimed Guatemala state department sources for their stories.

As recently as the 25th of last month, the prestigious Washington Times drew this conclusion: "The new civilian regime in Guatemala wants to settle the Belize dispute quickly to prevent the military and the extreme right from using the issue against it. The outlines of a deal are starting to appear..."

This is why political observers here were not too surprised that instead of the Economic Minister, it was his Deputy Lic. Jose Antonio Blanco Gomez who arrived on Wednesday as head of the trade mission.

The decision to send the Vice-Minister instead had to be at the demand of Guatemala's extreme right wing, who apparently felt that it was too much too early. Obviously, despite the good signs,

including this mission, the wrangling is not over.

But the decision to send the trade mission is in itself a major step, and the second truly visible sign that serious new peace initiatives are in the air. The first was December's renewal of diplomatic relations between Guatemala and England after a 43-year break.

The mission, organised by the Guild of Non-Traditional Exporters will be in Belize for three days, and includes officials of the Economic

Ministry, and representatives of the Central Bank of Guatemala, the Bureau of Tourism, the Private Sector Organisation and the Guild of Exporters; and explored markets for food products, footwear, clothing, cleaning products and cosmetics.

The mission was hosted jointly by the Government and the Chamber of Commerce and Industry, and investigated possibilities for joint venture investment projects between Belize and Guatemala.

Mission's Activities

Belize City THE REPORTER in English 15 Mar 87 pp 1, 14

[Excerpt] Mr. Henry Young, Deputy Minister of Tourism, Transport, Education and Youth, was on hand to meet the mission, deputizing for the Minister of Commerce and Industry, Mr. Dito Juan, who is attending the Berlin Tourism Fair in West Germany.

The mission was flown to Belmopan in relays by BDF Commander aircraft and settled down to a working luncheon that same day at the Belmopan Convention Hotel. On Wednesday night the mission was hosted by the Belize Chamber of Commerce and Industry at the Chateau Caribbean in Belize City.

Throughout Thursday and today individual members of the mission have been criss-crossing the countryside, looking at opportunities of special interest.

The Guatemalans have made it clear that their proponderant interest is to sell to Belize and are putting their emphasis on marketing strategies with importers and

retailers. But there has been interest too in agricultural works, notably in the banana lands of South Stann Creek and in the sugar lands up north.

Belize this week is also hosting two other trade missions - a small trade delegation from Taiwan and another trade group from Japan.

On March 31 another trade mission will be arriving Belize - this from Italy.

On the official side the discussions have been taking place between government and government. The team representing Belize has been headed by the Deputy Minister Mr. Henry Young. It includes Sir Edney Cain, Financial Secretary, Mr. Santiago Perdomo, Ambassador to Central America, Mr. Keith Arnold, Deputy Financial Secretary, Mr. Crescencio Sosa, Permanent Secretary in the Ministry of Commerce, Mrs. Yvonne Hyde, Director

of the Office of Economic Development, Mr. Jose Orlando Puga, Senior Economist in the Office of Economic Development, Mr. Robert Leslie, Permanent Secretary in the Ministry of Foreign Affairs and Mr. Allan Slusher, Governor of the Central Bank.

On the Guatemalan side, apart from Sr. Jose Antonio Blanco Gomez, Vice Minister of Commerce who arrived instead of the Minister of Economy, Lic Lizardo Sosa

Lopez, there were Sr. Carlos Leiva of the Ministry of Economy, Sr. Marco Antonio Ventura, Director of the Division of External Commerce, Sr. Armando Escobar, head of marketing and Analysis of the National Bank of Guatemala, Sr. Luis Soria, Head of the

International Department of the National Bank of Guatemala, Sr. Hans Gehlert Mata and Sr. Guillermo Rodriguez Mahuad.

Foreign Minister's Comment

Belize City THE REPORTER in English 22 Mar 87 p 9

[Text]

Belmopan, March 17-N.H.- Belize Foreign Minister, Mr. Dean Barrow has commented on last week's visit of a six-man trade mission from Guatemala.

In an interview Mr. Barrow said that the visit of the Guatemalan Trade Mission to Belize "Is a significant little step, because while the Government maintains its formal position that it does not recognize Belize as a separate state and as an independent country this kind of action makes it clear that the position is a convenience — a transparent Fiction."

Belize's Foreign Minister also said that for all practical purposes, the members of the Guatemalan Trade Mission had to apply and receive Belizean Visas and "other permission" to visit Belize.

"This" he said "is tantamount to a recognition of Belize as a separate and independent state. This is clear to us; that there is a more realistic approach in Guatemala to resolving the Guatemalan claim to Belize."

The Guatemalan Trade Mission, which was on a two-day working visit to Belize last week, was headed by the Guatemalan Deputy Minister of the Economy, Mr. Jose Blanco. The delegation was originally to be headed by the Guatemalan Minister of the Economy, Mr. Sosa Lopez, but the level of the mission was down-graded a few days before it was expected to arrive in Belize.

The Mission included businessmen and officials from the National Bank of Guatemala, The Tourist Bureau and the Director of External Commerce, Mr. Marcos Ventura.

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CSO: 3298/186

BIPARTISAN COMMITTEE ON GUATEMALA ISSUE HAS FIRST MEETING

Belize City THE BEACON in English 28 Feb 87 p 4

[Text]

(GJS) A seven-member Bipartisan Committee has been appointed to look at ways of achieving a solution of the Guatemalan problem.

The committee met last Friday afternoon in the committee room of the National Assembly Building in Belmopan. The committee explored areas of mutual interests which will constitute the framework leading to an honourable and peaceful settlement of the problem with Guatemala and for the establishment of a national negotiating position.

Members of the committee are the Prime Minister Rt. Hon. Manuel Esquivel, Deputy Prime Minister and Minister of Home Affairs Mr. Curl Thompson, Minister of Foreign Affairs and Economic Development Mr. Dean Barrow, Minister of Social Services Mr. Philip Goldson, the Leader of the Opposition Mr. Florencio Marin, Senator Vernon H. Courtenay, and the Permanent Secretary in the Ministry of Defence, Mr. William M. Tillett, who is Secretary of the committee.

/9317

CSO: 3298/186

UDP'S DANGRIGA DIVISION HOLDS ANNUAL CONVENTION

Belize City THE BEACON in English 7 Mar 87 pp 2, 15

[Text]

THE Dangriga Division of the United Democratic Party (UDP) held its annual Divisional Convention two Sundays ago (February 22).

The convention was held at the Tropic Zone Club in Dangriga Town, and was addressed by Prime Minister the Rt. Hon. Manuel Esquivel in his capacity as Party Leader; and by Party Chairman Hon. Dean R. Lindo, Minister of Agriculture.

The Prime Minister gave an overview of the performance and policies of his UDP government, and answered a number of questions from the floor.

The Party Chairman brought delegates up to date with plans and action being implemented in the various areas falling within the Agricultural

Ministry.

The principal business of the convention was, of course, the election of a new Divisional Committee and a Political Officer for the 1987-88 term. The elections were conducted by Party Executive Secretary Mr. Rodwell Pinks, and produced the following results: Mr. Francis Humphreys (President), Mr. Anthony Ogaldez (Chairman), Mr. Hubert Usher (Deputy Chairman), Miss Jeannie Gabourel (Secretary), Miss Georgia Flores (Asst. Secretary), Mr. Tina Gabourel (Treasurer), Messrs Vicente Lopez, Oscar Martinez, Joe Mendez, Dwight Usher and Hubert Smith (Committee Members) and Mrs. Doris (Jura) Garcia (Political Officer).

/9317

CSO: 3298/186

CARIBBEAN DEVELOPMENT BANK LOAN PROJECTS CITED

Belize City THE REPORTER in English 1 Mar 87 p 10

[Text]

Belmopan, Bze. Feb. 24 N.H.

The Government of Belize has agreed to guarantee the repayment of a "consolidated line of credit" from the Caribbean Development Bank to the Development Finance Corporation to the tune of U.S. \$7.7 million for a series of development projects in Belize, including the further development of an industrial estate in the Ladyville area of Belize.

The loan was approved by the Caribbean Development Bank on December 8, 1986.

Of this U.S. \$5.5 million will be used by the Development Finance Corporation for on-lending for private projects in agriculture, industry, tourism, mortgage financing and student loans. A separate loan for U.S. \$2.2 million will be used by the DFC to construct a 48,000 square foot factory unit at the Ladyville Industrial Estate.

The U.S. \$5.5 million loan will be repayable on a quarterly basis for fifteen years beginning five years after the loan was made at an interest rate of 8 3/4

per-cent per annum. The loan for U.S. \$2.2 million is repayable at a rate of three per-cent per annum over a twenty year period with the first payment due in December of 1991.

The Caribbean Development Bank is also lending the Belize government U.S. \$185,000 to pay for a feasibility study and the preparation of final designs for a new terminal building and other improvement at the Belize International Airport.

The government is now studying designs by the British Engineering firm of Halcrow and Associates for the new terminal building for which the British Government is putting up 1.5 million pounds sterling.

The British High Commissioner to Belize, Mr. John Crosby, said this week that the project will start "as soon as the Belize government decides what it wants." But the government may also have to seek more funds from the CDB to re-surface the runway at the airport and for the extension of the existing aprons.

BRIEFS

ESQUIVEL TO PRC, ROK--It was officially announced this week that the Prime Minister, the Rt Hon Manuel Esquivel has accepted a formal invitation to visit the People's Republic of China and the Republic of South Korea. In an interview the Prime Minister told correspondent Norris Hall that he is going to China and South Korea "fundamentally on a diplomatic visit." He notes that recently Belize had formalized its relations, recognizing the People's Republic of China. In South Korea, he said he planned to do the same, formalizing Belize's relations with South Korea. While in China the Prime Minister said he will be trying to interest the Chinese in buying Belize surplus sugar and in playing a role in funding some of Belize's development projects. In South Korea the Prime Minister indicated, he would be trying to accomplish similar goals. It is not known at this time exactly when the visit to China will take place, or who will be accompanying the Prime Minister on the trip. [Text] [Belize City THE REPORTER in English 29 Mar 87 p 1] /9317

PERMITS FOR HONDURAN FISHING--It is reported that Government is issuing permits to four Honduran registered fishing boats to catch lobster in Belizean waters. The boats are owned by a company from the Republic of Honduras and are said to be under contract with United Resources Limited, a locally registered company which operates out of the law offices of Fisheries Minister Dean Lindo. Under the contract foreign boat owners would receive a percentage of the catch. The remainder will be marketed by United Resources Limited under a so-called joint venture arrangement with a newly formed co-operative: The Independence Fishermen Coop Society Ltd which in turn is compelled to sell their surplus lobsters to United Resources Ltd. The issue of the permits was strongly opposed by local fishermen who regard the scheme as a thinly veiled attempt by foreign interests to gain a foothold in the local fishing industry. [Text] [Belize City THE BELIZE TIMES in English 1 Mar 87 pp 1, 12] /9317

ILLEGAL HONDURAN FISHING--Belize City, Tues, March 17--49 Honduran fishermen accused of fishing illegally in Belize's waters were today refused bail and remanded in custody until Monday, March 23, by #3 Court Magistrate Herbert Lord. The fishermen, five juveniles among them, are charged with engaging in commercial fishing off Glovers Reef without being holders of valid fishing licences. There are also immigration violation charges pending against them. The fishermen were arrested yesterday through the efforts of a joint Police and Belize Defence Force operation. [Text] [Belize City AMANDALA in English 20 Mar 87 p A] /9317

PANAMANIAN ENVOY--Panama's new Ambassador to Belize is His Excellency Manuel Castillo, who presented his official credentials to Governor General Minita Gordon on Monday. Sr Castillo replaces Dr Ana Mora de Wakeland whose letter of recall was also presented by her successor. In other diplomatic news, Belmopan has announced the return to Belize of His Excellency Santiago Perdomo, Belize's Ambassador to Central America and Panama. He was on a tour of Central America on which he carried messages of greetings from the Government and People of Belize; and conveyed Belize's policy of respect for the principles of non-intervention, self-determination, independence and territorial integrity. He also expressed to other governments Belize's support for the search for peace in the region through the Contadora process. Mr Perdomo reportedly accepted offers of support for the preservation of Belize's national identity, independence and territorial integrity. [Text] [Belize City THE BEACON in English 21 Mar 87 p B] /9317

CSO: 3298/186

NEED TO PROTECT BORDER FROM FOREIGN INTRUSION UNDERSCORED

La Paz EL DIARIO in Spanish 19 Mar 87 p 2

[Commentary by Fernando Diez de Medina]

[Text] We are a semi-depopulated country. Vast and magnificent lands that could support over 200 million inhabitants are sparsely populated by 6 million scattered residents, lost in the oceanic vastness of our geography.

Much has been said about the urgent need to repopulate the Bolivian Nation, about erecting genuine cities along the border, now not only for reasons of national security, but also to establish a human presence and political sovereignty over the remote regions of our geographical perimeter.

Much has been said, but hardly anything has been done.

The presence of the National State on its borders is more like an absence.

And don't blame the Armed Forces for this, because establishing military posts or conducting ground or air patrols, although that might be a good idea, is not enough to assert sovereignty over our distant borders.

Now that there are plenty of unemployed workers, we must seek international financial support to organize major internal migrations toward the surrounding geographical limits, but not so that we can abandon these human masses. Rather, they should be given housing, schools, public and administrative services, and guaranteed communication with the centers of population through good roads, postal services, and telephone or radio connections.

Each border settlement needs at least a hospital, a market, a court, a police station, a notary public's office, a school, a plaza, a radio station, and, if possible, an army post and airstrip. Of course, all of this costs a lot of money, and cannot be built overnight. But if we sought foreign aid and also cut from the national budget extravagant embassies, the exorbitant salaries that are paid public officials, and wasteful spending, we would be able to undertake the long and difficult task of populating the border areas that are today threatened and even invaded by peaceful neighbors who penetrate our territory and work the land with impunity.

We should not harbor any illusions: We are surrounded by and threatened by danger. Although from Brazil, Argentina, and Peru all we are faced with is private penetrations that are not very difficult to repress (though no less dangerous for that), on the other hand we have everything to fear from Chile and Paraguay. Despite official denials, one has strategic plans to invade our altiplano and exploit its mineral wealth, while the other has designs on our oil-producing areas and the wealth of our southeastern territories. Thus, it is imperative that we populate and reinforce our borders with Chile and Paraguay, whose diplomatic courtesy and protocol do not conceal their bellicose spirit.

We must repopulate our territory, either by establishing immigrant communities or by stepping up the birth rate. There are very few of us, and we must use every possible means to boost the population.

And to reinforce, above all, our presence and our vigilance on the borders, which are being eyed covetously by neighbors who have mutilated our republic in the past.

Let us emphasize that no matter how valiant the actions of the Armed Forces in guarding our borders, in addition to that we need a concerted effort on the part of the state, civilian, political, economic, and administrative spheres of the entire republic.

Moving toward the borders is, then, an urgent national priority. If we speak of relocation, we must set our sights and our hands first of all on the geographical perimeter, which is in such a state of abandon today that the residents hardly know where the fatherland begins and ends.

We must repopulate the territory, establish a presence on the border, and bring human enterprise and civilian and military activity to these remote regions, where Beni and Pando are also subject to incursions by covetous neighbors.

We must create, promote, and allocate material resources to a gigantic exodus to the borders. We need a new creative and unifying policy; we've had it with the squabbling and bickering in the capitals and major cities, while the border regions agonize in solitude and abandonment.

Instead of fighting and pitting Bolivians against each other--the governors and the governed alike--let us unite fraternally in a Marching Crusade to the Borders to fortify the weakened national corpus.

The borders are calling to us in anguish. What are we waiting for? Neglect and pillage are a threat to be reckoned with.

8926

CS0: 3348/246

SOCIAL CONFLICTS SEEN THREATENING ANTI-INFLATIONARY MEASURES

La Paz PRESENCIA in Spanish 28 Mar 87 p 3

[Commentary by Alberto Crespo Gutierrez]

[Text] Social conflicts have heated up in the last few weeks. This development should be of concern to the authorities because it is a reflection of a discontent that is, in many cases, justified. Teachers, university centers, and primarily the "relocated" members of the mining sector are just a few of those who have been demanding attention from the government. They are all asking for pay increases, and in most cases, the executive branch is unable to meet so many demands. The danger of a resurgence of inflation arises in the face of these burgeoning demands.

The teachers' demand regarding the date when the school year begins, which at one point appeared to have sparked a conflict, has been taken care of. Public opinion has condemned this profession for trying to sharpen antagonism instead of taking a conciliatory attitude that would not aggravate the crisis which this country is undergoing.

The universities contend that the salaries allocated to them by public officials are insufficient, but even though this is true, in times of severe economic hardship their staffs should adopt drastic measures to cut spending. The growth in the number of candidates for university placement has been tremendous in recent years, and as a consequence, it has been necessary to expand resources considerably to meet the increasing obligations of the universities. This would be a good time for the rectors, having duly consulted their advisers, to set to the task of reviewing the overall situation of each university and determining whether the increase in candidates has been accompanied by a corresponding rise in university standards, whether the demand for more funds is justified, or whether it would be more appropriate for the country to demand a higher level of instruction. The latter would reduce the number of students while improving the caliber of graduates.

The problem of the so-called "relocated" workers, especially in the mining sector, is the most disturbing one, given the number of workers who have had to be let go from many mines that cannot be operated economically. Various

factors have caused mining to be hit so hard by this crisis, and the unemployment generated by cumulative adverse developments is heart-rending.

The government has an obligation to adopt immediate measures that can at least dampen the proliferation of social conflicts. These conflicts could pose a serious threat to efforts to control inflation, whose adverse effects still weigh down on the population.

There is talk of reactivating the economy to counteract the crisis, and officials contend there are enough funds from abroad to make this goal attainable. But time is of the essence, and now we are involved in a race between recession, with rising unemployment, and the promises of reactivation. Unfortunately, if prompt and effective measures are not forthcoming to improve the productive system, the economy will continue to fall behind in this competition, and the social conflicts will inevitably move ahead. Only a joint and able effort by government, management, and labor can avert a deepening of the crisis, with all its tragic consequences.

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CSO: 3348/246

UNIVERSITY POLL REVEALS CRISIS WITHIN LEFTIST PARTIES

La Paz PRESENCIA in Spanish 29 Mar 87 p 11

[Text] A poll conducted by students at the School of Law (parallel A) and Prof Eusebio Girona, who teaches theory of government, reveals a severe crisis that is shaking the political parties, especially on the left. The study also shows the tremendous importance these ideological apparatuses have in directing society and the state.

"The research on the citizenry's opinion," says the survey, "was conducted on all levels and with respect to all political parties. in terms of their structures, deficiencies, and leaders, as well as the solutions to their crises and the importance of elections."

It states that the most important sectors of those surveyed are blue-collar workers in all fields, peasants, artisans, businessmen, trade union members, artists, students, teachers, intellectuals, financiers, clerics, athletes, members of the liberal professions, journalists, politicians, members of the Armed Forces, housewives, and others. A total of 600 people were interviewed, broken down in a selective classification.

The following conclusions were drawn after a detailed analysis and tabulation of the results:

- a) The most revealing fact appears to be the large percentage of those abstaining from, disagreeing with, and rejecting the parties in general, 32.3 percent of the total.
- b) The number of people who are independent, without any party affiliation, is rising at an increasingly rapid pace, and is now 72.3 percent.
- c) The majority parties are still the ones preferred by the citizens, in the same order as their results in the last election: Nationalist Democratic Action (ADN), 17.4 percent; Nationalist Revolutionary Movement (MNR), 16.2 percent; and Movement of the Revolutionary Left (MIR), 10.1 percent.
- d) The greatest deficiencies of the political parties, it is generally believed, are the quality of the leaders, their programs, ideological and political dependency, and excessive factionalism.

e) The most efficient ways of solving the parties' crises are, among other things, reducing the number of parties, adopting a more realistic attitude, improving programs, and forging great alliances and blocs.

f) The citizens attribute great importance to municipal elections. This confirms a healthy tendency toward living in democracy and supporting the consolidation of the democratic process that was begun 5 years ago, with 69.6 percent.

g) Those surveyed incline toward supporting well-known leaders in the political sphere: Victor Paz, for his experience, with 19.3 percent; Hugo Banzer, for his vigor, with 14.9 percent; Jaime Paz Zamora, for his youth and appeal, with 9.6 percent; and Marcelo Quiroga Santa Cruz, for his charisma, with 7.4 percent. A good number of citizens do not favor any leader "because they do not meet the standards that are required;" this view is shared by 29.6 percent of the respondents. Another important conclusion is that the citizens are calling for new political leaders.

h) Because of the work done in the last few years, the parties receiving the most votes are the following, in order: MNR, ADN, MIR, Socialist Party One (PS1), Revolutionary Front of the Left (FRI), Vanguard, Nationalist Revolutionary Movement of the Left (MNRI), and MBL.

These statistics provide an objective view of what is going on in the political parties, and the tremendous flaws in their structures, programs, and modus operandi. "These figures," adds the study, "should serve to correct somehow the structures and the traditional methods and styles of working and struggling that the political parties have pursued. In this way, they will be able to respond better and more effectively to the social demands that are multiplying as a consequence of the negative effects of the crisis.

8926

CSO: 3348/246

BOLIVIA

MINING INDUSTRY CONCERNS, EXPLORATION PROJECTS REVIEWED

Mining Development Essential

La Paz EL DIARIO in Spanish 14 Mar 87 pp 1, 3

[Text] The minister of mining and metallurgy, Jaime Villalobos, stated that the lack of mineralogical development in the Uyuni and Coipasa regions has created a great potential danger that we could lose portions of our national territory. In Bolivia, he said, this situation is now cause for concern, as our borders are so unprotected, especially in the western Cordillera region of Bolivia (the Uyuni and Coipasa salt mines), which contains mineral resources. These mines contain lithium, boron, potassium, and sulfur, and there are also large deposits of silver, lead, copper, and gold, reported the minister of mining during a press conference held in his office.

Other countries, such as Chile, have based their development on mining. But Bolivia's policy has restricted its border development. This border development should now be promoted as a priority for the short term, not only to ensure our territorial integrity, but also to revitalize the nation's economy.

Response to CONASE

The ministry of mining and metallurgy will respond to CONASE [National Security Council] about the lithium deposits existing as reserves in the Uyuni and Coipasa mines, stated the minister of mining.

During this press conference, Minister Villalobos stated that CONASE's concern is legitimate, as that organization's function is to safeguard the security and integrity of our national territory. The ministry of mining is going to give CONASE all the information that has been requested. We believe, he said, that leaving our border regions unproductive is definitely a factor working against our national security. History has shown us, he added, that territorial dismemberments have been caused precisely by a lack of economic activity and settlement of a region.

Italian Cooperation

The minister was asked about the development of the Uyuni and Coipasa mining regions through joint enterprises. An organization known as CIRESU [Industrial Complex for Development of the Uyuni Ore Resources] has been set up by congress. This complex has now completed preparation of the reference terms covering the development of potassium, lithium, and boron resources.

The Bolivian government is also holding talks on Italian cooperation in prospecting for boron and lithium resources in the Uyuni mines, since it is necessary to move ahead as quickly as possible and to promote industrial mining development in that region.

Bolivia Has Wasted Time

Moreover, the minister of mining and metallurgy reiterated that Bolivia has lost a great deal of time in developing its lithium resources. Chile and Argentina--particularly Chile--have moved far ahead of us in this area. In Chile some time ago a joint enterprise was formed with the company FUD to develop the Atacama mines. These mines have been producing lithium resources for years, and they now produce approximately 100,000 tons of lithium carbonate a year. Chile has just announced the signing of an agreement to form another joint enterprise.

Working with the American firm, AMAX, plus another Chilean group, Chile plans to develop a new large-scale project to produce potassium, boron, and lithium ores. The biggest problem is that Chile's lithium production is ahead of the current market, as its production capacity is equivalent to all of today's worldwide lithium demand.

Bolivia, with its large reserves, could have proceeded with this same type of development approximately 10 years ago. But it did not do so, and now Chile is supplying all of today's market. Nevertheless, the demand for lithium does have the potential to expand, as this is an element of great strategic value in energy production, for both nuclear and electrical energy, and also in the generation and production of light aluminum alloys.

That is why, said Dr Villalobos, Bolivia must continue to move ahead with its plans to establish an operation in the Uyuni area, and if possible, in the Coipasa mines as well.

Another important option for Bolivia is to develop its boron resources. Given the current price and market for boron, a viable operation could be generated, possibly in the Uyuni region.

The firm Litio Corporation has been holding talks with the Argentine government about establishing operations in the Hombre Muerto region.

Italian Cooperation

The minister of mining reported that at this time the Bolivian government is planning a project with the Italian government for a state cooperation investment of approximately US \$5 million, to explore and investigate the Uyuni mining region, with special emphasis to be given to boron products.

Salt Marshes

On the subject of reports on these mineral resources, the minister of mining, Jaime Villalobos, said that the government does have information that the Uyuni area contains the world's largest lithium resources found in salt marshes; their value may be less rich than the Atacama mines. The information available is preliminary and incomplete. We need further analyses, followed up by exploration, evaluation, and eventually development of these resources. What Bolivia is doing now, acting through CIRESU, is working to create the conditions so that it can establish an operation that will permit the development of these resources in the shortest possible amount of time.

Tin Concentrates in Storage

La Paz EL DIARIO in Spanish 16 Mar 87 p 2

[Text] Recently the La Paz Departmental Chamber of Mining signed an agreement with a marketing firm for the purchase of 600 metric tons of low-grade tin concentrate, reported Walter Mur, chairman of the Chicos Pacenos Mines, during a recent visit to the minister of mining and metallurgy.

Agreement

Dr Jaime Villalobos said that this contract is good news, as it will open up an additional market for low-grade tin ores, and will also help to stimulate the production of tin concentrates.

Diversification

The minister of mining reported that the days are past when Bolivia relied on its exports of tin ore as its sole product. But he said that this does not in any way mean that Bolivia's tin mining is over.

Bolivia is now attempting to diversify its production through silver and gold ores, but still including tin as well, for it does have mines in different regions that can produce competitively, even at today's tin prices.

The Huanuni Case

In the case of COMIBOL [Mining Corporation of Bolivia], reported the minister, because of its wealth in terms of tin grades, it is the Huanuni mine which is

capable of generating profits, even at today's prices, although in the past it did suffer immense losses caused by very bad management, serious corruption, and tin thefts. Along with other factors, all this caused a loss of US \$30 million a year.

Antimony Price Stable

La Paz EL DIARIO in Spanish 17 Mar 87 p 5

[Text] For some time the price of antimony has remained relatively stable, despite factors that have caused the international ores market to deteriorate.

This has made a certain amount of regular production possible in Bolivia, though certainly not at the high production levels that prevailed during the period before the recession.

A number of mines, both midsize operations as well as smaller ones, have been forced to close because of the decline in prices which has hurt the mining sector.

For the other mines which have stayed open, after making some adjustments their outlook seems generally favorable.

BAMIN and EMUSA

With the supplies of clean concentrate with a low selenium content coming from China still in a somewhat precarious position, the demand for Bolivian ore remains steady, although some consumers think that prices are still high.

The recent offer for sale by the BAMIN [Mining Bank of Bolivia] of only 100 tons of concentrate and 100 tons of ore in chunks--viewed as a market test--attracted a considerable influx of bids, with prices going up to \$16.50 and \$18 per metric ton unit FOB, for concentrate and chunks of ore, respectively.

While the Mining Bank is now keeping stocks of something like 4,000 tons, Bolivia's biggest producer, EMUSA, said that its stocks in port available for immediate shipment have declined to 570 tons, and the company does not expect to have any ore in chunks, at least for this month.

Generally speaking, there have been no substantial changes in the external antimony market in recent months, at least in relation to prices. The policy of the National Chamber of Mining has been to try to maintain the current prices in the external market.

New Phase in Los Lipéz Exploration

La Paz EL DIARIO in Spanish 17 Mar 87 p 5

[Text] Next August field work will begin at San Antonio de Lipéz, to expand the volume of positive reserves of lead-zinc-silver ore compounds, operating with a technical assistance agreement signed last week by the Mining Corporation of Bolivia with the JICA [Japanese International Cooperation Agency] and the Japanese Ore Mining Agency.

This agreement is designed to lend continuity to an earlier agreement, whose purpose was to do pre-feasibility work for the San Antonio de Lipéz Mining Exploration Project. This area is handled by the Zuechisla Subsidiary Mining Enterprise.

The field work will last from August to November 1987. During this phase, 900 meters of diamantine will be drilled, and 200 meters of mine galleries will be opened up, moving to lab testing to be done by JICA in Japan from December 1987 to January 1988.

The agreement stipulates that a final report will be completed by the end of February 1988. This will help in undertaking the later mining development of San Antonio de Lipéz, after preparation of the appropriate feasibility study of the ore compounds, whose potential is expected to be good. This will help to promote the diversity of COMIBOL's ore production. COMIBOL's recovery plan largely replaces tin with lead, zinc, and silver ores, though not eliminating tin production in the future, under more favorable conditions.

The studies and research cover an area of 1.5 square kilometers. The Japanese cooperation is valued at \$2 million, and includes sending technicians and supplying exploration equipment. COMIBOL will also provide technical personnel and additional mining equipment for drilling work and underground prospecting for selecting promising areas.

Lack of Resources Hinders Mining

La Paz EL DIARIO in Spanish 16 Mar 87 p 2

[Text] The minister of mining and metallurgy recently stated that CIRESU does not have the economic resources or the technology to proceed with the exploration, exploitation and industrial processing of lithium, which requires special technology. The same is also true for boron and potassium ores.

These ores have to be extracted from the salt marshes found in the Uyuni mining region. Simple mining and use of these resources as raw materials may not be economically viable. In addition, Bolivia must have the capability to process these products. Therefore, Bolivia would like to form an association

with enterprises that have technical, financial, and technological expertise. Dr Villalobos said that the reference terms for the invitation for bids are now being prepared, and in the negotiating process, all considerations will be taken into due account. Representatives of CONASE will also take part in these negotiations.

Decline in Tungsten Production

La Paz EL DIARIO in Spanish 17 Mar 87 p 5

[Text] Bolivia's production of tungsten, or wolfram, declined by over 70 percent last year, according to data from the Metal Bulletin.

Dropping from a level of 2,400 tons a year produced during the first half of the past decade, the 1986 production was only 1,000 tons.

Factors

This decline in production reflects the closing of seven of Bolivia's ten mines, as a result of extremely low prices.

The Mining Corporation of Bolivia, the nation's biggest traditional producer with a production of approximately 1,100 tons, officially halted its production in December 1985, after completing its marketing arrangements with the Bolsa Negra and Kami Ltda cooperatives.

Low prices earlier forced the state mining institution to close other mines. Bolsa Negra and Kami, controlled by cooperatives, are selling their production, which represents about two-thirds of the total Bolivian production.

One private company, International Mining, Bolivia's sole private producer of tungsten, is still producing about 450 tons a year.

Its mine is located in la Choilla (La Paz Department), although its two other operations--Enrramada and Chambilaya (Cochabamba Department)--have had to be closed. It is not likely that they will reopen unless there is a substantial rise in international prices, said the company's president, Carlos Iturralde.

7679

CSO: 3348/239

BUSINESSMEN SEEK FUNARO'S RESIGNATION, VIEW GOING TO IMF

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 22 Mar 87 p 44

[Article by special correspondents: "Funaro's Departure Demanded"]

[Excerpts] A change in command at the Ministry of Finance, with Dilson Funaro being replaced by Eliezer Batista, president of the international section of the CVRD (Rio Doce Valley Company): this was the most frequent proposal expressed--off the record--yesterday before the meeting with President Jose Sarney in Itatiba, in the interior of the state. Funaro was not present at the meeting. The businessmen--who had begun to arrive, one by one, at 1000 hours--appeared to be in an optimistic mood. When the name of Eliezer Batista was suggested, they expressed the reservation that he would hardly agree to work together with the present finance minister. Other topics that the businessmen showed an interest in discussing with President Sarney were the recession; the proposed return to a free-market economy; and the proposal to go to the IMF.

Recession Only a Threat at Present

Most of the 24 businessmen expressed the view that the economy is not in a recession--that at most there are a few signs of one on the horizon, and every effort should be made to ward it off. In the opinion of businessman Paulo Villares there will be no recession, because President Sarney wants to stay with the growth option. "In my sector," Villares declared, "there are no signs of a recession. I do believe that some compromises must be made in respect to negotiating the foreign debt, but I'm very optimistic about this meeting," he said.

Aldo Lorenzetti, president of the Brazilian Electro-Electronic Industry Association (ABINEE), called for greater flexibility in renegotiating the foreign debt so as not to endanger the programs under which components are imported for his industry. As did the other participants in the meeting, Lorenzetti emphasized that he would not criticize Finance Minister Dilson Funaro and the economic team, but could see no reason why Brazil should not go to the IMF if that would mean normalization of the foreign situation. The president of ABINEE also said that when he talks to Sarney he will insist that the government deficit be brought under control; that interest rates come down; and that the economy be allowed to operate on a free-market basis, with less government intervention.

Mario Adler, president of Estrela, Inc., agreed that there is no recession at present but with the reservation that he is totally opposed to any new price freeze. He chose not to comment on Funaro's absence from the meeting, saying that was up to the president. The only one of the businessmen to characterize the present situation as a recession was Octavio Lacombe, chairman of the board of Paranapanema. "Layoffs are already taking place, and there is a surplus of some consumer goods," he explained, emphasizing that every effort should be made to keep the recession from getting worse.

Mario Amato, president of the FIESP [Sao Paulo State Federation of Industries], was more emphatic on the subject of the foreign debt. "The fact is that there is no reason not to go to the IMF," he declared; but he would like the wage trigger to be retained and the government to allow the economy to operate more freely. He believes there are some signs of a recession, but that it has not yet taken shape. Amato noted the small February figure for jobs lost (which affected approximately 400 workers) and said it should not be interpreted as symptomatic of a general trend. But the president of FIESP fears centralization of the control of the economy in the Ministry of Finance. "Funaro has a lot of prestige," he said, "but it would be better to have more people thinking and participating." He went on to say that the minister himself chose not to attend the meeting, so that the businessmen could talk more freely with Sarney. Claudio Bardella felt that talking with the president of the republic is the same as talking with the minister.

Some of the businessmen commented on the NEW YORK TIMES editorial published day before yesterday, judging it to be totally at variance with Brazilian reality. Mathias Machline said that he saw no danger of a military coup in Brazil, while Bardella branded the editorial as "nonsense."

All the businessmen who expressed themselves are of the opinion that it is imperative for Brazil to find a solution quickly to the problem of the foreign debt. They do not want another recession such as that of 1982, and regard this type of meeting with President Sarney as very positive.

Renegotiation, With Sovereignty

There are two points on which Brazil will not yield in the process of renegotiating its foreign debt: economic growth and sovereignty. This was the opinion that President Sarney expressed yesterday to 24 businessmen during a meeting at the Rosa do Sul Horse Breeding Farm. The president took the occasion to try to motivate the businessmen to resume their investments and help ward off the threat of a recession.

Restricted as they were to the outbuildings of Mathias Machline's ranch approximately 2 kilometers from the principal site of the meeting (which began shortly after noon with the arrival of the presidential party in two helicopters), approximately 80 newsmen were able to follow the meeting only by means of the announcements that members of the host's household or the presidential press adviser, Frota Neto, took it upon themselves to transmit.

At 1630 hours Frota Neto announced that more than 15 businessmen had already presented a report on their respective sectors, and that the general tone was one of agreement with the government's pro-growth policy. The presidential press adviser explained that the government is equally concerned that there be growth and that the economic expansion will benefit all of Brazilian society.

According to the announcements transmitted by his advisers, President Sarney did not speak directly with the businessmen about Brazil's possible return to the IMF--a step that some of the guests had mentioned before the meeting as the most feasible course for establishing conditions that are propitious for an increase in exports and imports. The president limited himself mainly to hearing statements that will serve as a basis for an analysis of future decisions in the area of economic policy.

According to Frota Neto, the president remains optimistic concerning the possibility of arriving at an agreement to renegotiate the debt, which is the fundamental prerequisite for adjusting the internal problems of the economy. At the meeting the businessmen also heard the president's appeal for a resumption of private-sector investment, but to a certain extent they are making their decision conditional upon a clearer delineation of the economic picture.

"There was no talk of a recession at the meeting, for there is a solid consensus between the businessmen and the government to the effect that the nation can no longer follow that approach," Frota Neto said. He added that the government is not working with any recession hypotheses, although it does recognize that growth in some sectors is slowing.

Sarney made it clear to the businessmen that strengthening the democratic institutions depends on maintaining the supply of jobs and on having the kind of expansion that does not exclude the poorest sectors of society. In talking with the president, the businessmen were quite insistent that the economy be returned as rapidly as possible to the free-market system, by withdrawing the instruments of governmental intervention.

No decision has yet been made regarding a successor to Minister Joao Sayad.

Who Was There

The following businessmen were present at the meeting: Abilio Diniz (Sugarloaf Group); Abram Szajman (Sao Paulo State Federation of Commerce); Mario Amato (Sao Paulo State Federation of Industries); Aldo Lorenzetti (Brazilian Electro-Electronic Industry Association); Amador Aguiar and Lazaro de Mello Brandao (BRADESCO [Brazilian Discount Bank]); Claudio Bardella (Bardella Group); Flavio Telles de Menezes (Brazilian Rural Association); Helio Smidt (VARIG);

Jose Ermirio de Moraes Filho (Votorantim Group); Keith Bush (Sao Paulo Sandals); Luiz Bocallatto (COPAS Fertilizers); Mario Artur Adler (Estrela); Max Feffer (Suzano Paper and Cellulose); Ney Bittencourt Araujo (AGROCERES); Otavio Lacombe (Paranapanema); Olacyr Francisco de Moraes (Itamaraty Group); Paulo Diederichsen Villares (Villares Group); Romeu Chap Chap (Syndicate of Real Estate Purchasing, Sales, and Leasing Enterprises); and Wolfgang Sauer (Volkswagen).

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CUT, TRADE ASSOCIATIONS COMMENT ON SAYAD RESIGNATION

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 19 Mar 87 p 28

[Text] "This government changes ministers like one changes undershorts." The ironic reaction of the president of the Single Union of Workers (CUT), Jair Meneguelli, shows the lack of importance attributed by the leadership of that body to the departure of Joao Sayad from the Ministry of Planning. The CUT members indicate no preference for his replacement, because, they say, "It is the entire government which should be changed."

Meneguelli says that he does not know "why there is such a tempest in a teapot," because the departure of ministers has come to be "routine" in the New Republic. The CUT further said that the program of popular mobilizations that body has planned will not be altered because of the change in the planning ministry, even if it represents a merger resulting in the establishment of the Ministry of Economy.

The UNICAMP

Economist Paulo Renato Costa Souza, the rector of the UNICAMP, said that the resignation of Minister Joao Sayad is an event which clearly marks how far the differences in the government's economic team have gone. "Over a period of time, the differences among the various sectors in the economic team took on a dynamics of their own, going beyond the basic differences," this economist said. He expressed regret at the departure of Sayad, who "during his time as treasury secretary of the state of Sao Paulo, and also throughout his term as minister, showed competence and great public spirit."

And Now, Funaro

The resignation of Minister of Treasury Dilson Funaro was urged yesterday by the officers of the Federation of Rio Grande do Sul Trade Associations (FEDERASUL) and the Porto Alegre Trade Association. This demand was made in a statement issued to the press which expressed the view that this minister is mainly responsible for the situation of economic and financial crisis the country is experiencing, mainly as a result of the failure of the Cruzado Plan.

The two bodies criticized the efforts to stabilize the economy, stating that they were characterized by artificial measures or served as the tools of electoral pragmatism, and they noted the "poor performance in the economic decision-making sectors of the federal government."

In Curitiba, the president of the Parana Trade Association, Carlos Alberto Pereira de Oliveira, also suggested that Minister Funaro follow his former colleague, Joao Sayad, and ask to be released from his post. "Funaro no longer has the lease credibility for continuing in charge of the economy," he said, attacking the idea that a Ministry of Economy might be created.

"This is an absurdity," he emphasized, "because we already have a superminister, and it will not be by giving him still more power that Brazil can find the proper path for its economy."

No Change Seen

"The departure of Minister Sayad will in no way change what we have here, because Brazil already has a Ministry of Economy, in fact, headed by Minister Dilson Funaro," the acting president of the Minas Gerais Federation of Industries (FIEMG), Jose Alencar Gomes da Silva, said in commenting on the resignation of the minister of planning.

In the view of this Minas businessman, the ideal thing would be to give "legal status" to the Ministry of Economy which already exists "in fact," "because with the current situation, we cannot have disagreements on the economic policy command level."

The president of the Minas Gerais Trade Association, Hiram Reis Correa, believes for his part that the departure of Sayad is a positive thing. He said that the government can now unify its viewpoints. This businessman said further that the departure of the team which made the diagnosis of Brazilian inflation "and created an imaginary Brazil, producing what it did" would do the economy of the country good.

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AGRARIAN REFORM CONTINUES TO SPARK VIOLENCE IN BICO DE PAPAGAIO

Rio de Janeiro O GLOBO in Portuguese 4 Mar 87 p 12

[Text] Brasilia--Almost 2 years after the launching of an agrarian reform proposal for the country, the Bico de Papagaio (Parrot's Beak) region, which covers parts of the states of Goias, Para and Maranhao, continues to have a high level of violence, according to information obtained from the Ministry of Agrarian Reform and Development itself.

According to the Farm Dispute Coordination Board, 60.15 percent of the 261 deaths which occurred in 1985 were in these three states. The total number was 157, with 97 in Para, 43 in Maranhao and 17 in Goias. Last year, there was a drop in the number of assassinations in the region. They accounted for 114 of the 298 deaths reported in the country, or 38.25 percent of the total. But on the other hand, the Coordination Board reported an increase in arrests and evictions in the region. In Maraba (southern part of Para) alone, 117 persons were arrested last year, only two of them on court orders, and between 15 December 1986 and 15 January of this year, 450 squatter families were evicted in Para, and another 400 in Maranhao.

These figures are taken from a diagnosis of the agrarian situation in the Araguaia and Tocantins River region made by the Araguaia-Tocantins Lands Executive Group (GETAT), which was created under national security sponsorship and which Minister Dante Oliveira wants to dissolve. The study points to the land ownership policies as the cause of the property concentration in the region and, therefore, the increase in the disputes over land.

The study notes that according to reports, the actions of the police and court bodies have contributed to aggravating the situation. There is a total lack of capability in the military police in the region, while at the same time there are reports that the police apparatus supports ranchers and landgrabbers, allowing evictions without court orders and using violence against the squatters.

The most recent proof of the statements in such reports was obtained by the GETAT itself. It asked the Maraba Scientific Police Section to examine the corpus delicti in the cases of 21 farm workers in the settlements of Monte Santo and Parauna, in the southern part of Para, who were attacked by the military police on 3 February. They were all found to have the marks of

"torture committed with a blunt instrument." Copies of these findings were turned over to a special commission established by Governor Jader Barbalho, and also to Minister Dante de Oliveira, for an investigation of the facts.

The study of the region further indicates that it is unlikely that the assassinations can be proved, since "An atmosphere of total impunity, resulting in a lack of security for the people," prevails. The study adds that sectors of the court apparatus "show little sensitivity with regard to the social function of ownership.

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BRAZIL

IBGE PROJECTS 20 PERCENT RISE IN 86/87 AGRICULTURAL PRODUCTION

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 20 Mar 87 p 28

[Text] The February IBGE estimates for the 1986-87 farm harvest fell below the January expectations for almost all of the summer harvest products. According to information released by the IBGE yesterday, the reduction came to 3.5 percent in the grain group--rice, beans (first and second harvests), corn, wheat and sorghum, and for oleaginous crops--cotton seed, peanuts (first and second harvests), castor beans and soybeans, the decline was 0.2 percent.

In both cases, even with the reduced estimates, production this year should be approximately 20 percent more than was collected during the 1985-86 harvest.

These data are a part of the "systematic survey of agricultural production" taken monthly by the IBGE and analyzed and approved by the Special Commission for the Planning, Control and Evaluation of Agricultural Statistics (CEPAGRO).

As to rice, a foodstuff regarded as basic in the Brazilian diet, even with the estimated 4.2 percent reduction from the January figure, the results are still substantial. The rice harvest this year should total 10,945,000 tons, 5.3 percent more than the record 1985-86 harvest. Had it not been for the drought, the production total would have been greater. The estimate for bean production declined between January and February from 1,510,000 tons to 1,297,000.

Drought

In the Center-South, the declines were the results of the heavy rains which fell during the harvest, while in the Northeast, the main cause was the drought. In Irece (Bahia), a traditional production region, the drought was so serious that production is expected to be down about 90 percent, representing a drop from 62,600 tons to 6,300.

The February assessment of corn production in the Center-South is 25.3 million tons. For the rest of the country, production is estimated at 2 million tons. As to soybeans, the estimated total is 16,700,000 tons, 25.3 percent more than last year.

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BRAZIL

URUCU BASIN OIL FIELD THOUGHT TO CONTAIN 500 MILLION B/D

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 20 Mar 87 p 28

[Text] Belem--PETROBRAS is hopefully following the progress in the drilling of a well 2,000 kilometers from the mouth of the Amazon River in the state of Amazonas. If the results are positive for oil, only one individual, President Jose Sarney, can make the announcement. The drilling of the well, to a planned depth of 2,600 meters, is now almost completed, but only the technicians directly involved in the work are receiving reports about the development of the task. Daily bulletins are sent to Belem in code and passed on to Rio de Janeiro on the authority of the president of PETROBRAS, Ozires Silva. When the production test is completed, and if the results are similar to those at the well drilled earlier in the same area, President Sarney may announce that PETROBRAS has obtained one of the best results of all time in prospecting for oil on land.

The Luc-1-AM well is only 12 kilometers from the pioneer well in the region, which produced oil last year. The structure in which this first well is located is thought to contain 180 million barrels of oil, which in itself would make it marketable. But the PETROBRAS technicians believe that with the delimitation of the adjacent structure by means of two more drillings, the field may be expanded to 500 million barrels, equivalent to a fifth of the global oil reserves of the country. If the predictions are borne out, the Urucu Basin will allow PETROBRAS to recover the full investment made in oil prospecting in the past 33 years, estimated at \$3 billion.

PETROBRAS also believes that there is oil in the Parana Basin, where prospecting has been done without success. Technicians will return to the region, where a number of wells were drilled and abandoned. They will make new soundings there through Setal Western, an enterprise which has also been making use of information obtained by Paulipetro, a consortium founded during the administration preceding that of Franco Montoro, who decided to dissolve it. The technicians will focus on the Sao Paulo municipality of Teodoro Sampaio, but will extend the prospecting to the state of Parana.

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BRAZIL

NAVY MINISTER ON MINERAL RESOURCES EXPLORATION, POLAR SHIP

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 6 Mar 87 p 2

[Article by Helio Contreiras]

[Text] Brazil may extend its maritime sovereignty for purposes of prospecting for mineral resources, and the Brazilian Navy has launched negotiations for the purchase of a research vessel. At the present time, the preselection process is under way, with six ships of this type available on the international market being considered. This step will make it possible to implement the new Convention on the Law of the Sea approved by the United Nations Organization and to survey the Brazilian continental shelf. This information was provided to O ESTADO and JORNAL DA TARDE yesterday by the minister of navy, Adm Henrique Saboia.

The survey of the continental shelf will be necessary in order to define the extent of Brazil's sovereignty for the purpose of prospecting for mineral resources, including oil. It may extend to 350 miles, that is to say well beyond the 188-mile economic zone adopted in the UN Convention, which established the limit for territorial waters at 12 miles. Thus Brazil relinquishes the territorial seas limit of 200 miles, which was adopted during the Medici government but in the end won no international support. Although the convention approved by the UN did not have the support of the United States, it has broad international acceptance.

Polar Ship

Minister Henrique Saboia announced another Navy decision, which is to build the first polar vessel in Brazil. Thus the possibility that such a vessel would be purchased abroad has been abandoned. The Navy went as far as to engage in negotiations with Poland for the purchase of a Polar ship, but the news was prematurely announced in the press, when in reality, no definite position had as yet been adopted.

The minister of navy decided that the polar vessel should be built in Brazil, thus making a contribution to the private labor force for naval construction, which has been in crisis in recent years, with a high unemployment level.

The purchase of a research vessel abroad does not, however, represent a deviation from the policy of domestic production of naval equipment. The price of the research vessel will be much lower than if it were built in the country, and the Navy needs it urgently.

In order for Brazil to implement the new Convention on the Law of the Sea approved by the UN, it must purchase a research vessel in order to survey the continental shelf and define the point to which its sovereignty for purposes of prospecting for mineral resources extends.

The new convention approves a territorial seas limit of 12 miles and an economic zone limit of 188 miles. Brazil is thus relinquishing the 200-mile limit for its territorial waters which was adopted without international support under the Medici government.

Idle Capacity

The director of the Ebin-So Shipyards, Adm Armando Vidigal, said that the decision of the Brazilian Navy to step up orders placed with private shipyards represents an important contribution to the gradual overcoming of its crisis by the Brazilian naval construction industry.

The Ebin-So Shipyards won the Navy bid for the building of patrol launches to be constructed of fiberglass, using modern technology developed in England. This year, the Navy will issue other calls for bids for the construction of a patrol vessel and a tanker, which will play an important strategic role since it will have the capacity to accompany the ships of the line.

The likelihood that the Navy will get some of the ships it needs should increase, because President Sarney has now sent a draft law to the Congress which will enable the Navy to make use of resources from the merchant marine fund. The draft submitted by Deputy Marcelo Linhares, which would allow the Navy to use these resources without repayment, was vetoed by the president of the republic. The Navy itself would prefer that the funds be used on some other basis.

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BRIEFS

SARNEY'S PROBLEMS WITH PRESS--Brasilia (AGENCIA ESTADO)--President Sarney feels that there is a great deal of disinformation and false information about his administration in the news reports disseminated by the media. He wants maximum clarity in news coverage--especially on the part of the EBN [Brazilian News Agency] and RADIOBRAS [Brazilian Radiobroadcasting Company]--and perfect coordination and articulation among the ministries, their associated entities, and the office of the president in order to avoid misunderstandings. For this purpose a meeting was held Wednesday--at the SNI [National Service for Intelligence] conference room in the presidential palace--between the assistant press secretary of the national administration, journalist Jorge Luiz de Souza, and the social communications coordinators of eight cabinet ministries (Culture, Education, Justice, Health, Welfare, Interior, Administration, Urban Development and Environment). One of the participants in the meeting said that there was no intention to censure or prohibit off-the-record comment, as had been conjectured recently. This source said that Jorge Luiz had been very explicit on this point, while conceding that the president's intention is to prevent untruths and misapprehensions from continuing to be spread, by countering with correct and precise information transmitted by the social communications coordinators of the various ministries. One of the initial steps--which has already been taken--is the exchange of daily agendas among the president and the respective ministries. [Text] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 24 Mar 87 p 2] 10992

DEFENSE OF CALHA NORTE PROJECT--Belem (AGENCIA ESTADO)--The minister of aeronautics, Brig Gen Octavio Moreira Lima, said yesterday in Belem that the criticism to the effect that the Calha Norte Project will be detrimental to the indigenous communities in the frontier region is merely "a smoke screen to conceal certain interests--including foreign interests--in that region." In general--he says--all the voices being raised against the project are foreign voices. "Obviously," Moreira Lima declared, "our project displeases many interests, which are now attempting to allege that it is militaristic, when there are no connotations of this sort whatsoever. It is an integrated project," he said, "and will actively involve all the ministries that have an interest in the region." In the opinion of the aeronautics minister, the reactions that are adverse to the project are not credible. When a reporter wanted to know whether the reactions of the Missionary Council for Indianism were also not credible, the aeronautics minister said that there is an organ of the federal government to deal with the matter, namely FUNAI [National

Indian Foundation]. He emphasized that the testimony of the members of the Rio Negro missions should be sought. "Those missionaries are in a position to bear correct witness," he said. "I believe that no other testimony is valid." Moreira Lima declared that the Calha Norte Project plans to incorporate into the nation's patrimony a very rich area that has indications of the presence of noble minerals and that "we obviously cannot relegate to a status that almost amounts to abandonment." In his opinion, only the Armed Forces are in a position to initiate an orderly process of settling that border region. "Only the military are willing--for low wages--to go to places far from the major population centers," he contended. Minister Moreira Lima emphasized that in addition to the problems relating to smuggling and the drug traffic and "a kind of colonization that is completely uncontrolled," the frontier region must contend with guerrilla bands--as is the case in Colombia. "We must ensure a level of public peace that will enable these areas to be settled in an orderly manner," he emphasized. [Text] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 21 Mar 87 p 2] 10992

ITALIAN LOAN FOR AMX PROJECT--The Government of Italy has granted a loan of \$38 million to Brazil to implement the AMX subsonic fighter project that has been developed by the two countries. These funds will be used basically to import the components necessary for the manufacture of the aircraft. The financial protocol was signed yesterday by the administrator-general of the Ministry of Finance and the representative of the Italian Minister of Foreign Affairs. In the view of our Ministry of Foreign Affairs--where the Italian representative has maintained contacts with diplomats--the release of funds by the Government of Italy at this difficult moment for the Brazilian economy represents "a gesture of political support." [Text] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 21 Mar 87 p 2] 10992

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CSO: 3342/92

SANTOS, FUN SECRETARY SPAR OVER STATEMENTS

Giron: Cerezo Failed

Guatemala City PRENSA LIBRE in Spanish 3 Feb 87 p 4

[Text] The administration's official spokesman is trying to block out the sun with his finger and when he has no valid arguments to counter an objective judgment, he irrationally resorts to insult and slander, says a press release from the National Unity Front (FUN) party in response to newsman Julio Santos.

Asking the current president to resign because he is incompetent and does not possess the leadership qualities that a statesman is supposed to have and also because the current administration is a farce from which no one expects anything at all, is something that the entire nation can understand, the press release adds.

It is undeniable that there is increasing violence with each passing day and that the cost of living is becoming unbearably high. During the first year of President Cerezo Arevalo's administration the prices of basic food items, clothing and medicine have risen in some cases 45 percent, in others 100 percent and in still others more than 300 percent, it indicates.

If we take a look at the areas of health care, education and, most importantly, efforts to encourage domestic and foreign investment to create jobs, we will see that investment is, in fact, being discouraged, the FUN press release says.

For this reason, the FUN National Assembly decided that the proper thing would be for the current president to resign, to prevent the constitutional order from being shattered by a coup d'etat or a civilian-military uprising, the press release notes.

Therefore, the FUN reserves the right to sue the administration's spokesman, Julio Santos, for insulting and slandering its secretary general, Gabriel Giron Ortiz.

Santos said on Sunday that Giron "perhaps suffers from some mental problems" for having called for the president's resignation.

Santos Offers Rebuttal

Guatemala City PRENSA LIBRE in Spanish 2 Feb 87 p 4

[Text] "Mr Gabriel Giron Ortiz is going through a difficult period in his political career, because he has not been able to give the FUN the oxygen it needs to become a real political party that can take part in the democratic process that has begun in the country," Julio Santos, the public relations secretary of the presidency of the republic, said yesterday evening.

When asked about the FUN general assembly's call for the president's resignation on Saturday, Santos said that Giron Ortiz "perhaps suffers from some mental problems, because he is even irresponsible enough to talk about civil war in the country, when just 1 year into the administration all Guatemalans are aware that we are making tenacious efforts to rebuild the country in the wake of the disasters caused over the previous 30 years. In addition, national goals that unite us all have been established, such as the urgent need to consolidate democracy in an atmosphere of trust and peace and with the hope that all of the problems that President Cerezo's administration inherited are going to be solved."

"Moreover," Santos added, "we must remember that Guatemala made its great national decision once and for all on 8 December 1985, when the people came out in favor of democracy. So then, to mention civil war is to make irresponsible use of political freedom and freedom of speech, and to call for the president's resignation shows a lack of respect for the people of Guatemala, 69 percent of whom elected him with their votes. Giron Ortiz should instead resign from his party and allow younger leaders to guide it along a constructive path as a public organization to serve and strengthen the democratic process."

In responding to other points brought up by Giron Ortiz at the FUN general assembly, Santos said that the comprehensive rural development plans that the government is implementing are not designed to destabilize the "citizenry," as Giron Ortiz claims. Rather, they are serious, ongoing projects ranging from the reasonable exploitation of land to the marketing and distribution of products with the proper advisory services, technical assistance and financing. This is a new method of developing the land that offers jobs and confidence instead of the traditional confrontations that have historically arisen under the obsolete agrarian reform.

"But the height of irresponsibility among certain politicians, such as Giron Ortiz, is that they are engaging in provocation by stating that the president is trying to employ 'Machiavellian principles' to divide and destabilize the Armed Forces.

"Giron Ortiz must suffer from almost chronic amnesia," the official spokesman said, "because he quickly forgot that the Armed Forces themselves were one of the main factors in guiding the country towards democracy and that their professionalism and unity are unshakeable."

Santos asserted that during the administration's first year it has put things in order and stabilized the economy, restored lost freedom and strengthened the rule of law. In 1987 the administration proposes to begin an economic recovery and to address the serious social problems facing the country. Miracles are not possible, nor can the damage caused over 30 years be undone in 12 months.

"We are in the midst of a crisis," he said in conclusion, "and the responsibility for overcoming it lies not only with the government but with all sectors of the nation. It is a shared responsibility. But a person of Giron Ortiz' mentality cannot even organize a political party, much less provide answers to our serious problems."

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CSO: 3248/238

GUATEMALA

IMMIGRANTS RETURNING IN WAKE OF NEW U.S. LAW

Guatemala City PRENSA LIBRE in SPanish 22 Jan 87 p 6

[Text] "More than 125,000 Guatemalans will have to leave Chicago in May when the amnesty decreed for foreigners who are in the United States illegally goes into effect," Jose Antonio Arroyo, a Guatemalan who has lived in Chicago for 18 years, stated yesterday.

Arroyo is the president of the group called Progressive Guatemalan Unity (UNIGUAPRO), which was created to bring together Guatemalans living in Chicago who wanted to found the Guatemala House.

The president of UNIGUAPRO came to Guatemala to meet with authorities and congressional deputies to try and interest them in the fate of the 125,000 Guatemalans who will be returning home because they could not avail themselves of the amnesty, which is for illegal aliens who were in the United States prior to 31 December 1982.

"That many people coming back to Guatemala will cause another problem for the government, because they have no jobs," he said. "Some of them have their savings and they will have to be given every opportunity to establish themselves here and not cause the country further economic problems.

"Mr Arroyo wants them exempted from import duties, especially on their household items and, if possible, given special fares and baggage rates on Aviateca and other airlines so that they can bring their belongings."

Can Return

The president of the Congress, Deputy Ricardo Gomez, a Christian Democrat, referring to the Guatemalans who will have to leave the United States, said that they can return to Guatemalan whenever they want.

An interinstitutional commission should be set up to look into this matter and seek solutions, he added, inasmuch as many of our fellow countrymen will be returning home.

"A specific program for promoting small and medium industry will be pushed this year," he said; "that could be one solution."

FAILURE OF CENTRAL AMERICAN PEACE MISSION SCORED

Guatemala City PRENSA LIBRE in Spanish 22 Jan 87 p 10

[Editorial: "The Peace Mission Failed"]

[Text] The group of Latin American foreign ministers who visited Central America this week, in the company of UN Secretary General Javier Perez de Cuellar and the secretary of the OAS, Joao Baena Soares, is the most impressive mediation mission that has ever foot in this region.

Its purpose was to prevent a large-scale armed attack on the Government of the Republic of Nicaragua, which is currently in the hands of the Sandinist National Liberation Front (FSLN).

The members of the peace mission have spoken in recent days about the need to prevent a widespread conflict in Central America, which would, they say, have repercussions throughout Latin America.

The group visited the five Central American capitals and spoke with Presidents Arias of Costa Rica, Ortega of Nicaragua, Azcona of Honduras, Duarte of El Salvador and Cerezo of Guatemala.

As befits diplomatic efforts of this magnitude, the visitors have kept what they asked of, recommended to or called for from the Central American presidents completely confidential. But it does not take much effort to guess that they have voiced their desire that the preparations for war that are going on around Nicaragua be called off and, if possible, forgotten about.

The diplomats found that the Central American presidents are not of a mind to agree on anything. The first to make public his rejection of the mediation was the president of Costa Rica, who is demanding the approval of his own peace plan. The president of Nicaragua has already rejected the Costa Rican plan, as the Sandinists have a proposal that no one except them accepts. Honduras declared yesterday that the "natural forum for addressing the Central American crisis is the OAS," and we know that El Salvador will support the governments of Costa Rica and Honduras and will never back any motion by the Sandinists. Guatemala remains neutral; in other words, it does not count.

But the power center that could halt the conflict is nowhere to be seen in any of the capitals that the peace mission visited. The U.S. Government wants nothing to do with Contadora or the Support Group or the peace mission that Perez de Cuellar and Baena Soares headed. In contrast, the special U.S. ambassador for Central America, Philip Habib, is in Europe explaining the American position in the conflict that has three Central American governments at odds with the Nicaraguan Government.

European diplomatic circles believe that Habib is carrying in his briefcase "a peace plan for Central America that is based on a proposal put forth by the Costa Rican Government."

All of this background information leads an observer to believe that the possibilities of a peace accord are very slim.

The secretary general of the United Nations, Javier Perez de Cuellar, overwhelmed by the obstacles that he encountered during his swing through the area, stated yesterday in Mexico that the governments of Central America "do not have the political will to resolve their conflict."

"I am speaking as a Peruvian," he said, "and as such I am letting it be known that Latin Americans themselves must be responsible for resolving Latin American problems, without resorting to the superpowers. They (the United States and the Soviet Union) have enough problems; we are asking them only not to make the Central American problem ideological."

The governments of this region are not only short on the political will to achieve peace; they also lack the power needed to make their own decisions. Perez de Cuellar is right. His statements should be understood to mean that the impressive group of Latin American diplomats left Central America with empty hands. Their mission was a complete failure.

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CSO: 3248/240

EDITORIAL URGES CAUTION IN NEGOTIATIONS WITH UK

Guatemala City PRENSA LIBRE in Spanish 12 Feb 87 p 10

[Editorial: "Guatemala Should Reject British Aid or at Least the Term 'Aid'"; passages within slantlines in boldface]

[Text] The British Embassy in Guatemala yesterday sent this paper a sort of clarification on published reports concerning the press conference that Baroness Young gave last Tuesday. What the note, which was on a sheet of bond paper without seal or signature, actually does is confirm some of the details in the press accounts.

The following is the text of the note:

"At her press conference yesterday Baroness Young did not have the opportunity to explain in detail the British position on the dispute with Belize. Although it is true that to Great Britain the dispute is /between two independent countries, Belize and Guatemala/, the British Government has repeatedly affirmed its willingness to attend any talks or negotiations if the parties involved so desire. (Our emphasis)

"The aid program that Baroness Young mentioned, which we hope will consist of more than just a few donations, has not been completely drawn up. Baroness Young merely mentioned to the president the British Government's willingness to initiate a bilateral aid program, and detailed conversations on the form, content and value of the program will be held between the two governments in the coming months. British Embassy, Guatemala City, 11 February 1987."

Who sent the note? No one knows, because as we indicated above, it bears no signature or seal.

The important thing is that it confirms some of the things that we addressed in a previous commentary. The British Government emphasizes that any negotiations or talks must be held between /"two independent countries, Belize and Guatemala."/

If that is so, it bears asking what the British Government's role is in such talks. Will it attend as a spectator, as an arbiter, as a guarantor, as a third party to the dispute, or what?

The truth lies elsewhere. By unilaterally granting independence to a disputed territory, the British Government ignored the interests, feelings and rights of Guatemala. But something else needs to be said: The Government of Belize is not independent, as we understand the word. It is completely controlled by the colonialist power. Belize will do what Great Britain wants it to do. For this reason, perhaps, Guatemala insists on negotiating directly with the Government of the United Kingdom. Belize could be accepted as an observer, or something of the sort, in keeping with the official Guatemalan position.

Great Britain has stripped the nation of territory and has made certain aspects of Guatemala's development impossible, condemning the country to suffer a serious geographic impediment whose consequences are readily foreseeable.

What is annoying, however, is that every time the British Government discusses the issue of Belize, generally in response to questions from reporters, it renews its offer of a tiny bit of aid, like the candy that is given to children to make them stop crying.

The baroness told newsmen that her government was willing to lend "some small aid" and mentioned scholarships. Now then, the clarification indicates that Mrs Young "merely mentioned to the president the willingness to initiate a bilateral aid program," etc.

We Guatemalans have seen how the British Government helps Latin American countries. It has "helped" Guatemala by lopping off a territory the size of El Salvador. So then, we must be very careful about further British "aid," because it could result in the loss of the Peten or some other piece of Guatemalan territory.

Aid in the form of scholarships is of little or no use to our country. When there were no diplomatic relations between the two governments, several private British organizations were constantly offering scholarships. We can mention the Reuter company, among others, and Oxford University, where a well-known newsman and lawyer did his doctoral studies. The phrase "bilateral aid program" is deceptive. How can the United Kingdom aid Guatemala?

So to begin with, Guatemala should reject the term "aid" and then the aid itself. Other governments, with more tact, call it "cooperation" or something similar.

8743

CSO: 3248/238

EMERGENCE OF NEW LEFTIST BLOC REPORTED

Guatemala City PRENSA LIBRE in Spanish 22 Jan 87 p 4

[Text] A new leftist bloc emerged yesterday in the Congress of the Republic. It consists of two deputies from the PSD, two from the PDCN and two who used to belong to the Revolutionary Party and then became independents.

"This bloc will try to develop common views to put forth a minimum legislative program and will be very flexible politically so that it can expand and consolidate a leftist bloc in opposition to the center-right and the traditional right in Congress," stated Deputy Enrique de Leon Asturias.

The bloc is made up of Juan and Nery Morales Gavarrete from the PDCN; Hector Salvador Vazquez Gomez and Enrique de Leon Asturias from the PSD; and Rafael Arriaga Martinez, a former member of the Revolutionary Party.

"The foundations of the alliance," De Leon Asturias went on to say, "are, among others, coordinated efforts in Congress, solidarity in political action, and a social philosophy of which the common good and social justice are the main pillars.

"We are thus going to sponsor bills to lay the groundwork for a series of economic, social and political reforms, in defense of the human rights of Guatemalans and an independent, peace-seeking foreign policy."

8743

CSO: 3248/240

MINISTERS ISSUE POSTCONFERENCE DECLARATION

Guatemala City PRENSA LIBRE in Spanish 18 Jan 87 p 2

[Text] The "Declaration of Guatemala," which was issued yesterday as part of the Ministerial Conference on Commodities of Latin America and the Caribbean, establishes the region's stand on the grave commodities situation and calls for a series of measures to resolve the crisis in raw materials, which account for 80 percent of the region's exports.

The conference, which was attended by delegations from 26 Latin American and Caribbean countries, concluded yesterday. The final resolution includes a "plan of action in defense of Latin American raw materials," the contents of which we are covering elsewhere.

The international event was held in two stages, the first or preliminary stage on the 14th and 15th of this month, and the second, called the ministerial conference, on the 16th and 17th.

The ministers voiced their "deep-seated concern" over the crisis in commodities because prices "have fallen dramatically" and access to markets "has deteriorated significantly because of the policies pursued by the industrialized countries."

After noting that Latin America and the Caribbean have lost \$50 billion in income due to the fall in commodity prices, the ministers caution that this situation has generated "serious economic and social difficulties for our countries."

The declaration indicates that the problem in commodities "is a fundamental component of the grave world economic crisis" and, therefore, that "viable and urgent solutions" are required on the international level.

The ministers urge the repeal of the recent reduction in the U.S. sugar quota, whereby in 1987 the country will be purchasing 80 percent less sugar from the region than it did in 1981.

They reiterate that the foreign debt problem "is one of the most serious obstacles to regional development" and that in spite of the "enormous efforts"

by their countries, "debt servicing and the objectives of regional development" cannot be addressed simultaneously.

Therefore, the ministers emphatically state that "the foreign debt cannot be paid under current conditions and without sustained economic growth in our countries."

They underscore that regional and intraregional cooperation in the area of commodities "offers a potential that is still largely untapped." Strengthening such cooperation "would help to bolster our economies and enhance our bargaining power internationally," they state.

Therefore, they feel that "measures must be adopted to strengthen our reciprocal trade in commodities and to bolster our countries' share in their processing and marketing."

The ministers note that the results of international cooperation in commodities "have been disappointing," adding that "the VII UNCTAD provides the proper framework for undertaking constructive negotiations" in the area of raw materials.

In light of these experiences, they underscore the need for the countries of the region "to put forth joint and coordinated action to enhance their bargaining power in international negotiations."

They state that the round of GATT multilateral trade negotiations (Uruguay Round) "will yield positive results only "if the objectives agreed upon in the recent Punta del Este declaration are achieved."

They point out in particular the objectives of "liberalizing and expanding trade in products of interest to the region and according preferential treatment to developing countries as well as the commitments concerning the status quo and dismantling barriers."

The ministerial declaration voices renewed "opposition to the discriminatory and corrective economic and financial measures imposed by the developed countries against some of the countries in our region."

In conclusion, the ministers pledge to implement the plan of action on commodities that was adopted at the conference.

8743

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FRG REFORESTATION EFFORTS DESCRIBED

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 25 Mar 87 pp 9, 10

[Article by Eckhard Kauntz: "In Living Rooms or Burnt as Fuel: Haiti's Tropical Rain Forest--Past Neglect, Vicious Circle--Wasteful Exploitation Now/What May Still Be Saved"]

[Text] "Es una maravilla!"--"What a marvel!" Christopher Columbus was enchanted with "the mountains covered in many thousand kinds of trees of impressive height," a lush landscape rising from the blue/green Caribbean. Five hundred years ago the island appeared to the discoverer as the delightful coast of the Indian subcontinent and later--as Saint Domingue--became the wealthiest French colony in the New World, earning more profits for Paris than the total revenues of British possessions in America did for London. Now all this is threatened with collapse in a lurid apocalypse. "The disaster is here." In his air-conditioned offices in the port district of Port-au-Prince, the capital, German Ambassador Ganseier briefly, resignedly and quite undiplomatically thus describes the situation. "First the forest dies, followed by man," this prophesy may still be taken as a somber warning in Europe. In the western part of Hispaniola, the Republic of Haiti, it has come to pass.

The Peligre Reservoir, located northwest in the Black Mountains, is at a worryingly low level this March. A hydroelectric power plant here produces much of the electricity for Port-au-Prince. Newspapers report that the end of electricity production is imminent. When the dam for the reservoir was constructed, nobody thought of protecting the mountain slopes surrounding Lake Peligre against erosion. As a result the bottom of the lake slowly filled with falling rocks and mud. The reservoir's holding capacity dropped and, on top of all this, natural precipitation has steadily declined. The threat extends even further than electricity supplies: The Peligre also feeds the Artibonite River, and that river in turn irrigates the most fertile plain of the country and has, up to now, facilitated intensive rice cultivation. Consequently thousands of farming families are also affected.

In the past Haiti neglected more than just the protection of Peligre Reservoir. The forest that--with the exception of a few dry regions on the leeward side of the mountains--covered the entire island, has virtually disappeared. Trees now grow on only 9 percent of a land area that consists of

80 percent of mountains and hills. And even these trees no longer represent the original tropical rain forest or the pine forests of the upper slopes: Instead they are miserable remains that barely deserve the description "natural forest." The wood was swallowed up by furniture factories in Europe and North America or by charcoal kilns--the latter because, to this day, charcoal is almost the sole fuel used in the hearths of the 6 million Haitians. Whatever was left fell victim to hungry farmers who burnt the trees to clear the steep slopes and cultivate the poor soil with their hoes. Eventually the brief but violent rainstorms swept the top soil down to the valleys.

By now erosion has ruined 50 percent of the soil in many rural areas, and nothing but bare rock is left. According to estimates, 10-15,000 hectares of fertile land are lost each year in a country of comparable size with Hesse (27,800 square km). In areas where some plants still try to cling to the rocks, the farmers' goats inflict the coup de grace.

For the Haitians, the topic of erosion is more than a matter of statistics. Whenever there is rain, the residents of the capital's slums are not only threatened with the loss of their belongings to the raging flood waters--they also keep drowning in the flash floods rampaging through the otherwise dry ravines and gullies on the slopes of the Kenscoff range.

On behalf of the Eschborn Society for Technical Cooperation, German experts have for years been fighting this development in cooperation with the local ODNO [Organization for the Development of the Northwest].

Aloe Vera--The Best Hope

This means incessant labors for the Agricultural Fund and its "Haitian-German Project for Secure Food Supplies in the Northwest": Two thirds of the 1,300 hectare pine forest still surviving a few years ago have been lost since. According to reports, columns equipped with "official" documents issued by the government of former dictator Duvalier had arrived on the scene, dragging a dismantled motor sawmill to the top by hair-raising paths, putting it together again and cutting down the forest like robbers.

Moreover, 12 hectares of the painfully reforested 17 hectares burned down again--in unexplained circumstances. Nor has the situation improved following the overthrow of the dictatorship on 7 February 1986. The planning office of the Agriculture Fund in Gonaive was looted and, according to German agricultural and forestry expert Bergann, the prevailing anarchy set back all efforts by a full year. Attempts to establish a national forestry protection station have so far been in vain. In addition to the government's failure to take action, Bergann deplores in particular the lack of a land register that might accurately record ownership and, consequently, help define responsibilities.

Still the struggle continues. Terraces are now established in the catchment areas of Ka Philippe and Ti Riviere (7,800 hectares). Planted on them are quick growing and low maintenance tree species such as ash, bois ple and nime [no translation found--translator's note]. These forests are then handed over

to the local farmers' families for cultivation and use. Seven forest nurseries with an annual capacity of 500,000 seedlings were established. Possibly even more important are biological anti-erosion measures introduced on steep slopes that are used for farming, although it is often highly dangerous to cultivate the soil there. A *Leucaena* bush, originally from Asia, is planted horizontally at 10-meter intervals to eventually serve as hedges. The anti-erosion effect is visible after only 1 year: Humus accumulates in the roots instead of being swept down to the valley. Moreover nitrogen is concentrated there (produced by *Leucaena* analogous to the effect of lupins in Europe), and so are minerals that the bush extracts from the soil. A stable terrace emerges and produces rising yields. Moreover, the branches may be carbonized for charcoal.

Poverty caused the farmers to loot the forests: The loss of the forest plunged the farmers into even greater poverty--a vicious circle. USAID, the American Agency for International Development, had started on reforestation as long ago as the 1970's. But the peasants, paid to plant the trees, cut them down again--and waited for a new reforestation program and more payment. American anthropologist Gerald Murray found a startling solution to the problem: Haiti's farmers are perched on tiny parcels that they consider their property (despite the lack of a land register). Murray therefore recommended to reforest on their land. In return the farmers were later to have the right to use the growing wood. Their interest in the well-being of the trees thus having been aroused, the farmers turned into the trees' protectors. By now 15 million tree seedlings have been planted.

The Agricultural Fund in Gonaives tried to consolidate the progress made by cooperation with self-help groups in the villages (Conbits). In the 15 villages looked after, Agricultural Fund spokesmen pass on knowledge and skills that encourage the villagers' interest in the getting thriving trees and bushes. Compensation for lost earnings was provided, because the hedges and trees are planted by the farmers themselves. One kilometer hedge earns them 30 "rations." One ration consists of 0.4 liter oil, 2 lbs beans and 3 gourdes (equivalent to 60 cents or about DM1). In acknowledgment of the fact that "progress" imposed from above is not usually recognized as such, the project is governed by the principle that the farmers themselves must take the initiative and ask for help.

The northwest of the Republic of Haiti is the driest and poorest part of the country. The possibilities for artificial irrigation by way of enclosed wells are already exhausted in the coastal strip of the Grande Savanne, about 25 km northwest of Gonaives. Rain fields provide a "normal yield" about every third year. Due to overfishing of coastal waters--the Haitians fish with the smallest mesh nets and use the very last shrimp--the ocean has lost its former riches. Even the giant mussel, known as Lambi, shells of which are mounded along the beaches like memorials to a better past, is gradually turning into a rare delicacy. In bad times the residents are left with the Bayahonde bushes--the wood of these bushes yields high-quality charcoal. However, before and after the revolution gangs were formed, who ruthlessly hack off the bushes and thereby endanger the livelihood of the natives. Still, even now 199 hectares of Bayahonde are taken care of and, wherever tall growing cactuses do not offer too much competition, new plantings are attempted.

As the experts from distant Germany are as able to learn as the Haitians, a new hope has now arisen in this area so maltreated by man: Aloe vera. This also was planted as a hedge to protect against erosion. At the same time Bergann tried to arouse interest in Germany and elsewhere for this aloe, the extract of which is highly esteemed by the pharmaceutical industry. Also to be tried out here is fig cactus and, lastly, 200 cocos palm seedlings were handed out. If the goats do not eat these seedlings, maybe some of the poorest Haitians will one day be able to dream in the shade of a palm tree of a future that will not be quite so bleak.

11698

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13th PRI ASSEMBLY SPEECHES, PARTICIPANTS, HIGHLIGHTS

Mexico City PROCESO in Spanish 9 Mar 87 pp 11-12, 14-15

[Article by Elias Chavez]

[Text] Miguel de la Madrid took advantage of PRI's 13th National Assembly to reorganize his troops and prepare for his last great battle: appointing his successor as president of the republic.

His troops having been decimated, the chief executive had to enter into alliances with his predecessors, Luis Echeverria and Jose Lopez-Portillo, even at the expense of his watchword of moral renovation.

When the former presidents walked into the National Auditorium on Wednesday the 4th (first Echeverria and then Lopez-Portillo), only a few isolated whistles and shouts of "thief" refreshed memories among the approximately 5,000 disciplined PRI members who applauded.

There on the dais, before the chiefs of staff of the "political class," Echeverria and Lopez-Portillo embraced, and then President De la Madrid embraced them both and, through them, almost all of PRI's groups and subgroups in a bid to enlist a new political army that includes mercenaries, deserters, veterans and even demoted officers. "All we need now are Durazo and Diaz Serrano," some at the assembly remarked.

Only one former PRI president had not "sold himself out to the king": Javier Garcia Paniagua, the transition from Lopez-Portillo to De la Madrid, whose seat on the dais, at the opening and closing sessions, remained empty.

Echeverria entered the auditorium in the company of the PRI president, Jorge de la Vega Dominguez, and he looked as good as ever. Energetic, agile, he filed through the crowd, stepped up on the dais and walked around embracing people, the first being another former PRI leader, Porfirio Munoz Ledo, a leader of the "democratic current."

"As I am accustomed to meditating by the seashore, I note that only the tide makes the waves return again and again. In the upper reaches of national politics, however, men must not return..." said Garcia Paniagua when Lopez-Portillo's administration accused Echeverria of trying to establish a

"minimaximato" [an evocation of the "maximato," the period of continuing political influence of Plutarco Elias Calles, jefe maximo, subsequent to completing his term as president, 1928-36].

But now Echeverria and Lopez-Portillo were back, embracing each other and being embraced by Miguel de la Madrid; insults were forgotten, and the happy PRI family rejoiced when De la Vega commented:

"PRI's great achievements and the patriotism of the presidents of the republic have been the thread running through our social accomplishments and the constant improvement of Mexico's democratic institutions. This is the assembly of the nation's revolutionary unity."

Once the alliances had been sealed and the high point of the assembly had passed, Cuauhtemoc Cardenas, the former governor of Michoacan, another leader of the "democratic current," withdrew to the home of his father, The Expropriator, the 49th anniversary of whose heroic deed will be this 18 March.

"We will abide by the decision of the assembly," said Cardenas (see next article). "But we still believe that there ought to be a more open system for selecting a presidential candidate. This is our conviction, and we will keep on fighting for it within the channels and according to the rules of the party."

Two hours before in the National Auditorium, in the presence of Miguel de la Madrid, Jorge de la Vega cautioned:

"There are those who confuse a democratic opening with disorder, failing to bear in mind that disorder would benefit the oligarchies and tiny groups or individuals who serve only private interests...Attempts to undermine our cohesiveness and structure could arise as the elections draw near...All those who henceforth choose not to respect the will of the overwhelming majority of PRI members should resign from our party and affiliate with other political organizations. Neither a fifth column nor Trojan horses will have a place in PRI."

Taking after the head of the Federal District, Ramon Aguirre, who a year and a half ago said that "if the malcontents are not happy with our government and the way we are solving problems, they should go and live in another country," the president of PRI emphasized:

"In the exercise of our fruitful internal democracy we will not waste our time combating inconsequential minorities or individuals who have other goals, other purposes and other banners. We will struggle united against our adversaries on the outside. And the door is open for our adversaries on the inside, if there are any, to go wherever best suits their personal interests."

Interviewed later, Luis Echeverria, the former boss of one of the most visible leaders of the Democratic Current, Porfirio Munoz Ledo, had this to say about the suggestion that the dissidents leave PRI: "That's the way it should be. We have always believed that that's the way it should be."

According to another newspaper account, Munoz Ledo himself preferred not to take the hint and asserted that De la Vega must have been talking about other groups, "oligarchs and antirevolutionaries," not the Democratic Current.

"Two days before, on Monday the 2nd, at the assembly's opening ceremony, Gen Alfonso Corona del Rosal, another former PRI leader, former chief of the Federal District, former governor of Hidalgo, former deputy, former cabinet secretary, former presidential hopeful, former almost everything, headed up the "decrepit current" in opposition to the "democratic current."

Promoting the cause of party unity, he asked: "What would become of our homeland if we lost unity? What would we wind up with? Chaos, disorder." Corona lashed out at the democratizers:

"At this moment our party is engaged in preparations, readying itself for the forthcoming election campaign. Our party does not need to go around looking for strange doctrines...There are now those who do not understand the situation and are advising us to change...But this party is based and always will be based on the unity of its sectors, which represent the unity of the Mexican people."

In spite of his long and now seemingly exhausted career, Corona del Rosal clarified that he aspires to "no post or job." Therefore, he asserts, his praise of Miguel de la Madrid and presidentialism is sincere:

"President De la Madrid is an honest man who is totally devoted to the extremely difficult task with which our people have entrusted him. We must be united to sustain our institutions, to sustain the institution that has been attacked and slandered so unfairly, the presidency of the republic...President De la Madrid strives every day with tenacity, patriotism, character and honesty to discharge his duties. He holds the highest executive office in the land. He holds it because our party chose him as its candidate."

We Are All Brothers

Two days later, in the presence of Miguel de la Madrid and the former presidents, Jorge de la Vega paid similar tribute to the office of president:

"The most responsible and progressive movements that lend meaning to the dynamics of the nation converge in the institution of president. Those who feel that democracy demands taking powers away from the Federal Executive Branch are unaware that it is an institution that has emerged from our history and is a powerful instrument of our collective will. The presidential system is a modern expression of representative democracy. In our history it is the indisputable embodiment of national legitimacy...In addition to chief of state and head of government, the president is also the national leader of our largest political organization. His guidance lends us internal cohesion, and his strong activism amid our ranks bolsters our party's political struggle."

In addition to Garcia Paniagua, another former PRI leader, Carlos Sansores Perez, was absent owing to illness. Many people wondered whether someone else would have attended, if he were alive of course. On the 19th it will be 2

years since the death of a man who is regarded as one of the greatest thinkers of the Mexican revolution, Jesus Reyes Heróles, Miguel de la Madrid's teacher, whom Jose Lopez-Portillo dismissed as interior secretary and whom Luis Echeverría accused on 4 July 1982 of being a traitor, a liar, a persecutor and an alcoholic.

The Cains and Abels, united once again, were closing ranks in the National Auditorium. There, sitting in a front-row seat was the man who until a month ago had been the regime's nemesis, the comptroller general, Francisco Rojas, who is now director of Pemex; looking around and up on the dais, he could see many of the people whom he had been investigating embracing each other cheerily.

Joaquin Hernandez Galicia, La Quina, momentarily left his seat among the governors to greet and embrace Jose Lopez-Portillo, who was being watched from a distance of 4 yards by the man who until a month ago was his adversary as director of Pemex, Mario Ramon Beteta, who is now running for governor of the State of Mexico.

If recent squabbles were being forgotten, there was all the more reason to forget older ones. Suppressing their memories, Echeverría and Gustavo Carvajal also embraced, even though the latter, as PRI Leader, denounced the former president for sponsoring gubernatorial hopefuls.

Among those whose careers were given the kiss of death were Augusto Gomez Villanueva, Eladio Ramirez and Alfonso Martinez Dominguez, whom Echeverría demoted in June 1971. Blaming him for the "Corpus Christi" massacre, he removed him as head of the DDF [Department of the Federal District] and ostracized him, though Jose Lopez-Portillo rescued him later and made him governor of Nuevo Leon.

"...There must be no disunity, rifts or futile struggles in this task. Always contribute and never detract is the watchword," commented Jorge de la Vega Dominguez, who also removed himself from consideration as a presidential hopeful:

"Over almost four decades of active involvement in our party, I have learned both the written and the unwritten rules of our politics. Therefore, having won reelection as president of the National Executive Committee, I want to express to all my colleagues that this is the loftiest commitment of my political career, that my sole ambition is to be a good party leader so that I can strengthen it and that I aspire to be nothing more and nothing less."

From Now Until the Succession

After pledging to do his duty in an "orthodox and thorough manner" and to "scrupulously respect the rules, timetable and pace" of the unveiling of PRI's candidate, De la Vega seconded the complaints voiced recently by one of the potential presidential candidates, Alfredo del Mazo, who resented "other politicians" who magnify and exaggerate his flaws and even make some up. For his part, the PRI leader urged:

"Let us rid our political campaigns of slander, insult and defamation, which do so much harm and which we Mexicans reject because they debase the nation's politics."

In announcing that the assembly marked the formal start of the process of selecting a presidential candidate, De la Vega dashed the hopes of the democratizers. In making the big decision, "we will listen," he said, "to the guidance of the national leader of our political institution (the president of the republic)."

Now that everyone was happy, President De la Madrid himself clearly expressed his joy. He congratulated De la Vega for the way in which he organized the assembly and appealed to his restructured political army:

"...let us foster, as the party of the revolution has done, concord and solidarity among all Mexicans. Let us respect our adversaries, but let us convince the majority of the people that the principles of the Mexican Revolution are still the valid, logical choice for guiding national development."

De la Madrid asserted that PRI has never espoused do-nothingism or dogmatism." On the contrary, he added, "no one is more interested than PRI in improving elections, in ridding them of flaws, in vouching cleanly and transparently for the legitimacy of the government of the revolution," noting that the people "are not led astray by options that do not represent Mexico's genuine roots and do not have faith in its destiny."

More embraces and handshakes culminated the celebration. An excellent assembly," remarked Luis Echeverria, adding that he agreed with De la Madrid that the dissidents should leave PRI.

Meanwhile, Emilio Gamboa Patron, Miguel de la Madrid's private secretary, walked up to Jose Lopez-Portillo and led him through the crowd to the car in which he drove off alongside the chief executive.

8743

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CUAUHTEMOC CARDENAS EXPLAINS AIMS OF DEMOCRATIC CURRENT

Mexico City PROCESO in Spanish 9 Mar 87 pp 14-15

[Article on interview with Cuauhtemoc Cardenas by Elias Chavez]

[Text] Cuauhtemoc Cardenas is not intimidated:

"The pronouncements of the 13th PRI Assembly and the personal convictions of Mr De la Vega are that the party will maintain the traditional procedure for selecting the presidential candidate. That is very clear. But we feel that a more open procedure is needed. I still contend that the potential presidential candidates should declare themselves as such and call on their partisans to support them. It would be much easier that way to find out which forces and which interests are behind each of the hopefuls. Moreover, we would learn their views on the country's main problems."

In the office that used to belong to his father, Gen Lazaro Cardenas, Cuauhtemoc, a former governor of Michoacan and a former senator, denies that the changes that he and the "Democratic Current" proposed and that the assembly rejected could cause rifts and confrontations among PRI members. He had this to say in his interview with PROCESO:

"Instead of fostering rifts or confrontations, as some people fear, the arrangement that we propose would lend PRI greater support, open up avenues for democratic expression, and strengthen the party and the principles that it proclaims to national public opinion."

And although he acknowledges that a decision has already been made and that, at least this time around, the practice of the unveiling of the PRI's candidate will continue, Cardenas Solorzano is not giving up:

"As a member of the party, I understand their reasons for making this decision. But as members of PRI we also have an obligation to continue speaking out on the country's major problems and on the various approaches that can be taken to great national issues. It is our obligation and our right to voice our convictions. They have invited us to keep on arguing our views in accordance with the party's bylaws. And we are going to do so."

"Even if it might weaken party unity?"

"We know that it is important to strengthen the party and foster unity. But strength and unity are, in fact, fostered through actions that are in keeping with the party's own principles and objectives."

Without making a fuss, almost with the restraint that characterized his father, Cuauhtemoc Cardenas explained what it was like to participate in one of the assembly's working committees:

"In general my position paper was accepted. That was the attitude that I perceived from the people on the committee. But when the time came for comments on the position paper, Deputy Cesar Augusto Santiago, as the conclusion of his argument, called for the rejection of my proposal. Also speaking out against it were Deputies Jaime Aguilar Alvarez and Jesus Murillo Karam and Senator Humberto Hernandez Hadad. And today, Wednesday the 4th, a couple of hours after the assembly closed, Mr De la Vega was very clear: the same rules as in previous presidential terms will be followed for selecting the presidential candidate. There is no doubt about this."

"Does following the same rules as always entail some risk?"

"Yes, less involvement of PRI members. Inadequate involvement on such basic issues as the selection of the presidential candidate disheartens our activists. When structures are kept rigid, many party members feel divorced from basic decisions."

Far from being among the disheartened, Cardenas Solorzano announced that he would continue struggling to democratize PRI:

"More room for democracy must be created. This is why I will continue in the struggle, with optimism and always in accordance with the party's bylaws and the decisions that PRI leadership bodies make at a given time. We are abiding by the decision of the assembly, but we will keep on arguing and acting to promote our ideas. And one of our convictions is precisely to maintain unity and to work to strengthen the party."

Cardenas Solorzano even interprets the presence of former Presidents Echeverria and Lopez-Portillo at the assembly as "a very significant effort to strengthen the unity of the various groups, the various currents that in one way or another are expressing themselves and participating in the party. I think, moreover, that the presence of the former presidents represents very important backing for Mr De la Vega and the Executive Committee that he chairs."

"General Corona del Rosal and De la Vega himself think that democratizing the selection of the presidential candidate could detract from the prestige and power of the president of the republic. What do you think?"

"On the contrary, I think that the institution of president would be strengthened and enjoy greater support. Any step forward towards democracy strengthens the institutions of a democratic system. Democratic gains lessen

the pressure from interest groups, from top echelons that do not necessarily act in accordance with mandates or democratic responsibilities."

"De la Vega said that those who do not agree with the assembly's decisions should leave PRI. What will you do?"

"We will abide by the decision of the assembly. But we will continue to fight for our ideas, in keeping with PRI's principles."

"Aren't you afraid of disciplinary measures?"

"No, because we haven't violated any rule of discipline. We are acting in accordance with the party's bylaws. Putting forth ideas does not mean breaking any provision of the bylaws."

"They are accusing your 'Democratic Current' of making utopian proposals."

"Our proposals are definitely not utopian. In fact, some of them have been accepted, in the area of economic policy, for example. Mr De la Vega mentioned in his address the need to give priority to the living conditions of the Mexican people and that after that we would attend to the commitments stemming from the foreign debt. This statement squares with ideas that we have been espousing."

Cardenas Solorzano would rather not talk about the campaign of insults and accusations that his successor as governor of Michoacan, Luis Martinez Villicana, has launched against him and his former colleagues in office. In contrast, just a few days before the 49th anniversary of the oil company expropriation, he gladly talks about his father:

"My views can't take the place of my father's," he clarifies, "but no doubt he would be very pleased with the accomplishments of the oil industry, which has been the foundation of the country's economic growth and technological development. But no doubt he would also be very concerned about the shortcomings, the deviations that have cropped up. For example, the fact that petrochemicals are far from having the government participation that they ought to. And he would also be worried that excessive crude oil exports are jeopardizing reserves."

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MEXICO

PRI DEPUTY, YOUTH LEADERS APPEAL FOR PARTY DEMOCRATIZATION

Called Necessary for Growth Nationally

Mexico City PROCESO in Spanish No 538, 23 Feb 87 pp 7-9

[Interview with Deputy Santiago Onate Laborde by Elias Chavez]

[Text] A call is arising from inside the PRI [Institutional Revolutionary Party]: to get rid of the secret deliberations culminating in the selection of the PRI's presidential candidate, so that it will truly be the party rank-and-file who will choose the presidential candidate.

This appeal is being made by Santiago Onate Laborde, secretary of the chamber of deputies' most important commission--interior and constitutional issues. He has also listed the requirements which the PRI candidate for the presidency should fulfill. He analyzed the challenges which his party faces, and those which must be resolved at its 13th national assembly. And he practically took on the defense of the "democratic current" led by Porfirio Munoz Ledo.

When interviewed by PROCESO, Deputy Onate said: the democratization of the nation presupposes the democratization of the PRI; our candidate for president of the republic must be chosen from a long list, not just from among three or four secretaries of state, as is now done. Furthermore, that list must be open at all times, he added.

An attorney of the 1968 generation, a teacher at the UNAM [National Autonomous University of Mexico] and at the UAM, and an expert in constitutional law, Onate defends the "democratic current."

"If by democratic current we mean," he clarified, "the proposals that a group of our party's members have formulated on national political affairs and specifically on the PRI, I believe that this is a significant current of thought, both because of the people involved and also because of the display, both inside and outside, of the ideological vitality of the PRI itself. This is not a group that wants to destabilize the PRI or to create a parallel splinter party. It is a matter of exercising a civic right which all Mexicans have,

and which PRI members in particular enjoy by virtue of our own statement of principles and our program of action, which we are required to support. This means that, within our party, we should suggest, propose, and examine, and then at the proper time, we should decide which course of action the PRI will follow in order to remain faithful to its responsibility as a majority party. We understand this responsibility as a higher responsibility, qualitatively speaking, than that of other political groups. In this context, the task of the PRI calls for greater vitality and a high degree of participation by its members and sectors so that it may continue to serve as the standard-bearer for authentic popular demands. And a very important one of these demands is the integral democratization of society. Insisting on democracy as the criterion according to which the PRI should conduct its own operations seems to me to be very important for the vitality of the party and its members.

A few days before the PRI holds its 13th national assembly, on 2, 3, and 4 March, Onate noted:

"The different currents, ways of thinking and of organizing work within the party should not become targets of either praise or censure; rather, they are topics for analysis and material for examination by the PRI. At the national assembly, we members will state our views and the assembly will decide, by majority vote, on the course and route which the party should follow."

[Question] Will it really be the assembly that democratically decides?

[Answer] I insist: we have pledged to do so, for that is what our statement of principles stipulates--to work toward the development of national democracy. And that development presupposes a democratic organization within the party itself.

[Question] Then why are dissidents, who are fighting to democratize the PRI, being attacked?

[Answer] Some people may have thought that the existence of opinions urging greater democratization is synonymous with a denial of the existence of democracy within the PRI. So there have been some reactions that we could describe as against, as frank opposition to the democratic current. But I see the calls for internal democratization as a healthy position.

The PRI, Obligated

[Question] Obviously, Deputy, you support the democratic current and its demands.

[Answer] Those demands are not exclusive to the people who have spoken out publicly on this matter. It isn't a question of creating internal factions in the PRI. They are just trying to expand the rank-and-file's participation in

the orientation of party affairs, and to have qualities such as party activism, a representative nature, honesty, commitment, ability and revolutionary consciousness accepted as criteria that should fundamentally guide the PRI's actions. It shouldn't be understood in any other way.

Oñate is both critical and self-critical, and does not attempt to evade any question. He attacked "tapadismo" [process culminating in the selection of the PRI's presidential candidate after long and secret deliberations].

"'Tapadismo' is certainly one of the central problems of the Mexican political system. When we call for the integral democratization of society and the expansion of channels for democratic participation or consider possible changes and transformations of this system, 'tapadismo,' which has so often been the target of caricature, can not escape criticism. I believe that we must consider two things in relation to this problem: the responsibility which the PRI has as the majority party, and the vital importance of the nomination of our presidential candidate. Because of its majority nature, being a mass party, a party which wins most of the elections, the PRI bears a very great responsibility in terms of selecting its candidates. Like any party, our party's aim is to win elections. To do that, it is obliged to nominate good candidates who can conduct persuasive campaigns, which will enable them and the party to win."

[Question] What reforms do you propose in order to do away with "tapadismo"?

[Answer] Our bylaws contain a series of clear norms, like the ones listed in articles 149 and 150, which stipulate the way in which the PRI should choose its candidates. If we rely more intensively on these mechanisms, making the needs of the party rank-and-file truly find expression in a government program, and so that the search for a candidate will lead to the person who most suits the needs of the majority, this will run counter to the system of "tapadismo," which has so often been caricatured. Intensifying and improving the mechanism for candidate selection would of course be an advance of a democratic type, an advance that would permit inside the party reasoned and thoughtful discussions of the qualities that should be sought in the person whom the PRI nominates for president of the republic. For that is the most important position in our legal system and in our political system. I feel that our party, supported by its action program, has a sufficiently strong framework to combat "tapadismo."

Enriching Candidate-Selection Mechanisms

[Question] Is that enough to put aside the "weight of the party faithful"?

[Answer] Obviously, the president of Mexico, the secretaries of state, and above all, the party leaders must be involved in activities concerning the nomination of the presidential candidate. But the foundations have been laid

to enrich and transform the candidate-selection process. Perhaps the problem may be, as with many things in politics, the speed with which people want to make changes come about. It is true, though, that the more extensive the internal process of debate about the qualities the candidate should have and finally about the selection of one particular person as the candidate, the more this will help to preserve the legitimacy that is so essential in electoral offices, particularly for the presidency.

As a constitutionalist, Onate admires four Constituents from 1957, leaders of the Reform: Ponciano Arriaga, Francisco Zarco, Ignacio L. Vallarta, and Ignacio Altamirano, whose portraits adorn his office in the legislative palace. When the reporter asked him his opinion of four secretaries of state—Bartlett, Del Mazo, Salinas, and Gonzalez Avilar—who have been mentioned as possible presidential candidates, the secretary of the interior and constitutional issues commission protested:

"When you talk about people who are potential presidential candidates and then give their names, saying that the decision is limited just to those people, that is not clearly and concretely promoting the enhancement of internal democracy in selecting the party's presidential candidate. I feel that the PRI, given its majority character, must maintain a long and always open list of members who meet the requirements for nomination to the top office in the nation. Among those qualities, experience in handling public affairs and political experience are of singular importance, but I would in no way think that this applies to only three or four people, or that only specific persons--secretaries of state--have any chance of winning the nomination."

[Question] Do you favor increasing the number of potential presidential nominees?

[Answer] It is essential to consider a wide range of possible choices, as broad as the rank-and-file of the party, as the PRI's structure allows, in order to select the most suitable candidate, the one who can best carry forward the program which the party adopts and supports through its analysis and selection of the needs expressed by the rank-and-file. That would give an authentic democratic character to the selection mechanism.

In addition to political and administrative experience, in Onate's view the PRI presidential candidate should also have the following attributes:

"These are not," he pointed out, "criteria which I have invented. I am simply abiding by the criteria established in our action program. These criteria are what should determine who the PRI will nominate as its presidential candidate. In the first place, this person should have a recognized record of activism; he should be representative and should be identified with the great majority of the people, of whose needs he must have full knowledge. These are the fundamental criteria to be considered when choosing the candidate."

[Question] In your view, Deputy Onate, who meets that description?

[Answer] Like every Mexican, we know and take great satisfaction in saying that there are a good number of people who possess those attributes and meet those requirements. I will express no personal preference, for I feel that is not the right way to proceed with the selection process. Rather, this should be done by internal PRI mechanisms, which at the proper time, should present their decision in favor of a specific person. I believe that the party has a suitable structure, with precise norms, so it can make a truly democratic selection. We have the political conditions and instruments so that "tapadismo" can be set aside as a mechanism for candidate selection.

After calling on his fellow PRI members to conduct a self-criticism of the PRI "inside party organizations," Deputy Onate listed the major challenges which will have to be considered, and for which solutions must be sought at the 13th national PRI assembly.

"I believe that the principal challenge will consist of enhancing national democracy. By democracy, I mean continuing to increase the participation of broader sectors of society in making decisions. The PRI faces the challenge of intensifying this process while at the same time maintaining its power as a party. And there is a second, related challenge: the PRI, as the majority party, should open up its activities through convincing actions, campaigns, and demonstrations, which must continue to grow clearer and more persuasive, showing that the PRI is truly the majority party and that its victories can not be challenged, except by persons acting in a fraudulent manner or in bad faith. A third challenge, one of great significance, is how to articulate and satisfy the demands of the masses of the people. This means: translating the goals of the revolution into deeds, ensuring that its objectives are attained, for the benefit of the masses.

Call for Reform from FJR

Mexico City PROCESO in Spanish No 538, 23 Feb 87 pp 6-7

[Article by Gerardo Galarza]

[Text] Just a little over 3 months after the "satanization" of the MRD [Democratic Renovation Movement] (the so-called Democratizing Current), another dissident group has arisen inside the PRI. This group is fighting for the party's internal democratization and modernization so that it will truly represent the people's wishes, respect true activists, bring in new groups now emerging in society, and remain active all the time, not just during election campaigns.

"Our party must stop being an appendage of the government and become a force for achieving what the people want," say Alejandro Rojas Diaz Duran,

national coordinator of the FJR [Revolutionary Youth Front], formerly the MNJR [National Movement of Revolutionary Youth], and Ramiro de la Rosa, secretary for ideological information of the PRI youth organization.

They believe there is a good opportunity now to begin their party's "structural change," with the democratization of the internal procedure for selection of the party's presidential candidate. They feel this process should begin by having persons seeking the nomination make their intentions public. "They should give public speeches and make appearances, express their views while seeking support. It is time to put a stop to the custom of appointing presidential candidates from on high after secret deliberations, an end to favoritism. We need an open and public process."

De la Rosa, 21, has been active in the PRI for 10 of his 21 years. He is the young man who unexpectedly spoke out, questioning the policies of the department of agriculture, during the appearance of the secretary of agriculture, Eduardo Pesqueira, before PRI members. Rojas Diaz Duran, 28, has been a PRI member for 14 years. He has already spoken officially during the appearance of the secretary of urban development and ecology, Manuel Camacho Solis. Both complain of the lack of response to their questions: "Camacho Solis said he didn't want to get into a debate, though the Days of Analysis are designed precisely for that very purpose."

After words, they are now moving to deeds. Following the PRI's 13th regular assembly, they report, "we will conduct a national popular survey, a real, not prefabricated survey, among Mexican youth--whether PRI members or not, anyone who wants to make take part--to draw up a profile for a government program, and based on the program, a profile of the PRI presidential candidate. Along with Jesus Reyes Heróles, we believe that the program must come first, and then the candidate." This survey, which will begin in March, is scheduled to end in July. Its results, in terms of both the program and the candidate, will then be reported to the PRI national leadership. They are demanding that young people be included in making internal party decisions.

"It is time," they maintain, "to put an end to the system of picking candidates in secret, an end to appointments from above, an end to favoritism in the selection of PRI candidates for popular elections." Rojas Diaz Duran says that this secret candidate-selection system has caused the PRI to lose credibility with the public. "We are opposed to sham appearances, in which it is claimed that the Mexican people decide who will guide the nation's destinies for a 6-year term. This secret candidate-selection process leads to abstentionism, for it makes people cynical."

"The real PRI activists, properly represented in a proportional manner, must be the people who choose the PRI candidate for president of the republic," they say. They maintain that party activism and activism in public administration are two different matters. This procedure must be public and open, says Rojas Diaz Duran.

A candidate's personal qualities are important for the candidate's election, but not qualities related to his congeniality, his image, his likes and dislikes, and his money. That isn't the right way, says Rojas Diaz Duran, for this person is going to govern on behalf of all Mexicans, not just for one group. To do this, the candidate must be a man who knows the system and the nation, a man of integrity and honesty, who listens, who identifies with revolutionary causes, and a man of profound democratic convictions.

De la Rosa, now a student at the UNAM Law School, was twice chosen as the outstanding primary student in all of Mexico, by the UNAM as its best undergraduate student. He has been active in the CEU [University Student Council], was three times national oratory champion, and has been honored by the CREA [National Council on Resources for Attention to Youth]. He has been a youth leader on various levels. He joined the PRI when he was 11, working in political campaigns: "It certainly must have seemed very funny for a child to be giving speeches." He spoke of the qualities which he feels his party's candidate should have. And only of those qualities. Throughout the interviews, the two youth leaders refused to mention any particular names, "for then we could be accused of campaigning for someone, or trying to hurt other people's chances."

First, the candidate must have a record of years of proven activism, holding different positions in both the party and in public administration; second, he should have a record of determined efforts to defend Mexico's national interests, for we do not believe in having ministers who will sell out our interests; third, because of the conditions in which Mexico is going to be living, we need a person with a reputation as an intellectual, but who has always been involved in working with different social and political groups; fourth, the candidate must also be the expression, spokesperson and generator of consensus among diverse social and political groups so that he can appeal for national unity, which has deteriorated enough.

The young PRI leader opposes: activism only in public administration, but not in the party--there have been presidents who have barely been members of the IEPES. The president really needs to know the party. He must know how it operates and the problems of a sectional, municipal, and district committee. Nor does activism, he said, mean just taking part in political campaigns, as happens with people for work for one candidate, and come into a presidential campaign, pushing aside people who have worked in the party for years. Activism means staying and working in the party during non-campaign periods. He says that in the Biographical Dictionary published by the office of the presidency, of some 1,500 top-level positions, barely 15 percent of the officials have a record of proven activism. "I have checked them out, one by one." And it seems that there are some who are not even affiliated with the PRI.

Rojas Duran and De la Rosa also said that the FJR will invite secretaries of state to discuss and debate major national problems with young PRI

members as part of their national survey. We will invite them so that they may clearly explain and answer questions about the reasons behind the repression of young people by police raids, the handling of our foreign debt, the reason for the application for new credits, the budget cuts, unemployment, the rural situation, problems with education and the university system, the renewed chaos in industry, and the lack of housing and of health care. "We hope each and every one will agree to debate with young people."

They are and will remain PRI members. "We are not ashamed to say it--we are PRI people. We are in the PRI because we believe in it. We believe that our party supports the national ideals contained in the constitution, and we believe it is the best option we have. But we do believe that there have been mistakes and deviations about the way to achieve those ideals. The party must be modernized in order to meet the challenge of the 21st century. Through its modernization and internal democratization, it must seek to bring in new emerging social groups and to represent their needs. For if it does not do so, it may run the risk of becoming irrelevant."

They said that one of those emerging new social groups is youth. "In Mexico we young people are a majority of the population. If the PRI is the majority party in Mexico, young people should be a majority in the party. In 13 years, the average age in Mexico will be 26, and over 50 percent of the population will be between the ages of 23 and 38. But that doesn't mean that young people should be viewed as a special election clientele, but rather as what they are: an ideological force, a link between needs and solutions for national problems."

That is why they want their party to establish a fourth sector: a youth sector, with rights and obligations equal to those of the three traditional sectors. "From the age of 18 we have rights and obligations equal to those of any other citizen. We are not second-class citizens or part of a generational struggle. Young people should be represented in proportion to their strength in the party and in making decisions. We must be listened to."

They believe that the PRI needs a "structural change" in both its internal and external methods and procedures. It needs to redefine its mode of action, they say. "Carlos A. Madrazo, the PRI's first youth leader, said there are two classes of politicians: those who lead and those who hold back. They are going to have to decide which side they are on."

Rojas Diaz Duran and De la Rosa deny that their activities are weakening the PRI. "On the contrary, what we are trying to do is strengthen the party. Nor are we creating divisions. As Reyes Heróles said, unity is not uniformity; unity must concentrate on essentials. We have to accept that there will be different groups and currents, and reach agreement on fundamentals, even with non-PRI people. It is true that there must be discipline on the party line, but that doesn't mean it has to be imposed; instead, it should arise from discussion and should respect the majority decision."

Like the MRD members, the PRI youth say their activities are within the limits allowed by their party bylaws, that they are only exercising a right contained in those bylaws. They say that after the appearance of Pesqueira Olea, they spoke with the PRI national leader, Jorge de la Vega, and told him of their concerns. They don't fear being made the targets of a "satanization" move against them. They say they will continue with their plans and even if the next candidate is appointed by traditional methods, after secret deliberations or selected by a few top leaders, they will still make it known that the PRI young people are going to demand that their party's national ideals be realized.

They recall that 50 years ago Carlos A. Madrazo, the PRI youth leader and later national leader, decided to support the potential presidential candidacy of Gen Francisco A. Mujica. When the then PRM supported Manuel Avila Camacho, "he took 15,000 young people with him." From that case we should resurrect the idea of Gen Lazaro Cardenas, that those who seek the nomination should say so publicly. At that time political candidates gave up their public offices and campaigned for the nomination.

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CSO: 3248/248

MONTERREY FPTyL DELEGATES ATTEND MANAGUA GATHERING

Monterrey EL NORTE in Spanish 27 Feb 87 p 1B

[Article by Luis Antonio Lucio]

[Text] Members of the FPTyL [Land and Liberty Popular Front] of Monterrey spent a week in Nicaragua, discussing experiences with members of popular movements of other countries, and seeking coordination and mutual support.

Alberto Anaya, the FPTyL leader, said that the meeting held in Managua from 9 to 21 February led to the formation of the Continental Front of Communal Organizations. This is an anti-imperialist, democratic group, representative of the people's interests.

They also agreed to issue a public statement supporting Nicaragua and its model revolution, and condemning the "criminal" intervention by the United States government, he said.

Another agreement reached in Managua was to designate 9 September, the "Anniversary of the Sandinist Defense Committees," as a "Day of Latin American and Caribbean Solidarity with Nicaragua."

They further agreed to give determined support to the struggles of the peoples of El Salvador, Guatemala, Chile, and Haiti, who are contending with U.S. imperialism, and to demand the immediate release of all political prisoners and the return of the disappeared, he reported.

As a CONAMUP [Popular Urban Movement National Coordinating Board] delegate, Anaya said it was his responsibility to chair discussions of reports presented by communal organizations.

He said they also agreed to make 6 October 1987 a "National Day of the Homeless," a day which will be marked all over the continent by programs focussing on the right to housing and social services.

For this day, internal programs will be conducted in the participating nations, and a delegation will be sent to the United Nations to present the demands of the people to Latin America to the nations of the world.

Attending the meeting in Nicaragua were 100 delegates from popular movements in Mexico, including Anaya, his wife, Guadalupe Rodriguez, and three other members of the FPTyL.

Anaya explained that the movement was organized in order to bring together all the organizations of Latin America and the Caribbean in order to discuss their experiences with representatives of each popular urban movement in every nation.

Attending the meeting were 300 full delegates and 100 fraternal delegates, as well as special guests from the United States, Switzerland, Belgium, Holland, Bulgaria, and some other countries, he said.

"The intention was to exchange our experiences in dealing with this type of movement and to seek coordination and mutual support."

"It was also resolved to form the Latin American and Caribbean Continental Front of Communal Organizations," he reported.

He explained that the Mexican delegation had been partly financed by the airline, AERONICA, which provided 20 percent of the total expenses of the delegates attending, which were 300,000 pesos a person; after a discount, 250,000 pesos were paid.

To make up the remainder of the costs, he said, a collection was taken up among the FPTyL members. They managed to collect 800,000 pesos, and so were able to pay the expenses of Anaya and Ricardo Cantu, attending as full delegates, and of Zeferio Juarez, attending as a fraternal delegate.

Guadalupe Rodriguez de Anaya and Yuri Yolanda Benavides paid 130,000 pesos toward the cost of the trip.

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CSO: 3248/248

OFFICER FINED FOR FAILING TO PRODUCE DURAZO CASE WITNESSES

Mexico City EXCELSIOR in Spanish 19 Feb 87 p 4-A

[Article by Rafael Medina Cruz]

[Text] The eighth district criminal court judge, Juan Silva Meza, yesterday fined the PJF [Federal Judicial Police] agent who had been ordered to produce three witnesses in court to appear in the case against Arturo Durazo Moreno. The police officer was fined 10 days' salary. The judge warned that such fines will be continued if summons issued by his court are not obeyed, as this is delaying the trial.

The PJF agent, Juan Rodolfo Islas Islas, had been ordered on 29 January to locate the witnesses. He did not produce them in court, and so was fined 10 days' salary.

"How I am supposed to produce three people in court all by myself, especially when they live in different places?" he said.

The witnesses who failed to appear in court are: Arturo Marban, former chief of the Licenses Office, and former operational director of the defunct DGPT [General Directorate of Police and Traffic], and Roberto Mirando Barron, a watchman at the Durazo residence on the Mexico-Cuernavaca federal highway. Anatolio Magana Bautista, the third witness, did appear in court, but he did so in compliance with the summons, not because of the PJF order.

Judge Juan Silva Meza, annoyed by this noncompliance with the summons, both on the part of the PJF agent and of the two witnesses, ordered the clerk of the court to impose the 10 days' salary fine.

In district court eight, it was learned that this was not the first time that the Federal Judicial Police have been guilty of negligence and incompetence; earlier, another PJF agent, in addition to having not complied with a judge's order to produce several witnesses, also made false statements, claiming that he had sought them at the home addresses they had given, but that "they weren't living there."

Jorge Calvo Breton of the PJF was even charged with the crime of giving false testimony before a judicial authority of the third district criminal court, and he was then tried for that crime.

The court proceedings, which had been scheduled for 1000, were delayed for 30 minutes because of the absence of the witnesses.

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CSO: 3248/248

'DELINQUENTS' IMPERSONATE SECURITY FORCES

Managua BARRICADA in Spanish 21 Mar 87 p 2

[Text] A band of delinquents who posed as members of the Higher Office of State Security was arrested by the Sandinist Police last 16 March as it was pulling another job at the La Pana China Restaurant, owned by Luis Lang Young.

Asst Cmdr Javier Lopez, deputy chief of the Sandinist Police, reported that the ring was organized in late 1985 for the purpose of assaulting peddlars, as the criminals knew they could obtain large amounts of money and general merchandise from them.

Odel Espinoza Franco, Walter Jose Polillo Lazo, Manuel Salvador Morales Araica, Carmen del Rosario Fajardo Perez, Alfonso Jose Ondoy Meneses, and Jose Ramon Morales Araica are the members of the band who are now being held by police.

Dressed in olive green uniforms and showing false documents from the Higher Office of State Security, the members of the band would show up at the target business and make an accusation. Then, as alleged security officers, they would "inform" the establishment that they were going to conduct a routine search. They would even "confiscate" money (both national and foreign currency) and merchandise.

Before leaving, the criminals would give the victim a "confiscation receipt" (also fake) similar to what the police leave when they conduct a search and seize some items as evidence of the crime.

"Because many people are unfamiliar with the documents used by the security agencies, merchants were easily impressed. But when they followed the criminals' instructions about where to go, they would naturally discover the truth," asserted Asst Cmdr Lopez.

On Monday the 16th, when the delinquents were hitting La Pana China for the second time, someone managed to get the license number of the vehicle they used in the crime. Following that lead, the police tracked down the members of the ring.

Police estimate that the criminals have robbed several thousand dollars and tens of millions of cordobas from La Pana China, Ferreteria Garcia, Tienda Jeans, Bar Pio Pio, Restaurante China Town, and other businesses. This figure does not count the value of the appliances and jewelry they also took.

The assailants were armed with a Makarov pistol, a 38 caliber gun, a Beretta 38, and a pair of handcuffs. They were also in possession of a punching machine used to make I.D. cards and confiscation receipts, which was seized.

The police are urging all people who have been victimized by this ring to come in and file complaints and help clear up a series of cases that are still open.

8926

CSO: 3248/259

ITALIAN INVESTMENT IN TOURISM PROJECTS

Managua EL NUEVO DIARIO in Spanish 26 Mar 87 p 12

[Article by William Roiz Murillo]

[Text] The Italian Government and private businessmen from that country have moved a step closer to investing in tourism projects in Nicaragua, even though there is no Foreign Investment Law in this country.

The hotel projects that are being financed by Italian investors, as well as those that have been approved to begin this year, involve millions of dollars.

For its part, the revolutionary government of Nicaragua, through INTURISMO, will put up matching funds in cordobas to build a tourist infrastructure. This infrastructure includes hotel projects on the coast, in the mountains, and in our capital.

The Nicaraguan Government is aware that tourism is one of the most important sources of foreign exchange, despite the war of aggression. Accordingly, it has firmly and decisively supported tourism projects, both national and international.

This policy will be reinforced this year, once the Foreign Investment Law announced by President Daniel Ortega S. in his annual message to the nation from Niquinohomo is studied and debated in the National Assembly.

Architect Raul Barahona, assistant director of International Hotels, Inc. (HOTELINSA), which falls under INTURISMO, revealed to EL NUEVO DIARIO that the Montelimar, Santa Maria de Ostuma, and El Recreo hotel-tourism projects (the last of which is being negotiated with the Central American Bank of Economic Integration) are making steady progress. In addition, he reported that the Hotel Intercontinental in Managua is being expanded.

For the expansion of the Managua Hotel Intercontinental, HOTELINSA has obtained \$10 million in financing from Italian investors.

The \$10 million is earmarked for the purchase of equipment in the expanded hotel, including electromechanical instruments, etc. The Italians will provide technical assistance in assembling all the hotel equipment.

Architect Mario Salinas, executive president of HOTELINSA, traveled to Italy recently, where he made all the arrangements, stated Barahona.

The earth-moving will begin between May and June of this year, and construction is expected to be underway by the end of June. The Construction Ministry (MICONS) will be in charge of that aspect.

Construction Minister Mauricio Valenzuela and Herty Lewites of INTURISMO have already met to plan this project, stated the HOTELINSA official.

It has been learned that the expanded Managua Hotel Intercontinental and the Olof Palme Complex that is being built for the 77th World Interparliamentary Meeting (UIP) are intended to be the new center of our capital, since the old one was destroyed by the 1972 earthquake.

The grand tourism project on the coast is Montelimar, which will be located at the sugar plantation confiscated from the Somoza family. For the first phase of the project, which covers 60 manzanas of land, the Italian investors are providing some \$7 million in financing, to be matched by 6 billion cordobas from Nicaragua, according to Barahona.

The complex will have 150 cabins. A casino will be installed in the old Somoza residence, and surrounding it will be a restaurant, a night club, a discotheque, an amphitheater, tennis courts, riding stables, swimming pools, a helicopter landing pad, and a 60-room hotel for passengers in transit.

The complex has kitchens, laundry facilities, equipment and games for children, and an airstrip that will be extended by 800 meters to meet international standards.

As has been reported earlier, all services at this complex will be paid for in dollars, because the primary objective is to generate foreign exchange for the country. Barahona stated that the Italian investors are already selling this project in Europe, and that it will certainly begin functioning by mid-1988.

The investment will be recovered easily, because tourist packages to come here are already on sale, he asserted.

The second phase of the Montelimar project involves the construction of the Guardabarrancos Hotel, which will cover 55.8 manzanas. This project will begin in 1988, he said, but he did not specify the date.

As a complement to the beach complex, the tour will also include the Santa Maria de Ostuma Hotel in the mountains. This facility will have 80 rooms. The earth-moving has already begun on this project, which is under the direction of the Nicaraguan Building Enterprise (ENE), a division of the MICONS.

The investment in this hotel will amount to \$2.5 million, and the Nicaraguan share is about 4 billion cordobas.

Meanwhile, in Managua, INTURISMO is negotiating with the Central American Bank of Economic Integration (BCIE) to purchase the buildings of the Hotel El Recreo, which is across from the Colegio Centroamerica.

HOTELINSA has already practically completed the plans for completing construction on this hotel, which had been financed by the BCIE but was abandoned by the owners. All that remains now is a shell.

According to Barahona, the investment in the Hotel El Recreo of Managua may total about \$2.5 million, with the Nicaraguan share amounting to about 3 billion cordobas.

The negotiations with the BCIE were suspended pending the outcome of the bank's Board of Directors meeting in the next few days.

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CSO: 3248/259

MINVAH'S VIGIL ON HOUSING PRIORITIES

Managua EL NUEVO DIARIO in Spanish 25 Mar 87 p 12

[Text] The Ministry of Housing and Human Settlements (MINVAH) is developing basically four types of projects, according to the head of that government ministry, Miguel Ernesto Vigil.

The highest-level projects are the costliest ones, such as the housing complexes. Investments have been made in studies and services for these complexes, which include those of Batahola and San Antonio, explained Vigil.

In the progressive developments, which require less expenditure, the work is minimal, limited to earth-moving and installing collective water stations. These developments include Jorge Dimitrov and Rene Cisneros.

In general, "we call them housing solutions, and we had had the most impact on them as of December of last year, with a total of about 50,000 lots involved," he added.

The "Basic Economical" projects or Materials Bank entail the construction of houses for those who already have a lot. The prefabricated materials are provided, "and we believe that this is the most appropriate solution, in view of the country's situation," he explained.

"In the fourth place, we are giving attention to the rural settlements. Initially, we went to Zelaya Norte, and did some others in Special Zone III (Rio San Juan)," indicated the minister.

As for the development of rural settlements, in 1985 and 1986 Region VI was the most favored; the projects there were tied to those developed by Agrarian Reform, working in stages. For this purpose, we have received international assistance in order to give the peasants social services such as schools, communal houses, and health clinics.

In this regard, the top-priority regions have been I and VI, he emphasized. In these projects, a joint study is first conducted with the Ministry of Agricultural-Livestock Development and Agrarian Reform (MIDINRA). In this way, it can be determined what land factors are present, whether there are

possibilities for water and access, and whether the danger of flooding can be avoided.

The MINVAH has developed 3,803 projects in Region VI. It has tried to finish the roofs as soon as possible, then continuing with the walls, potable water, laundry facilities, and collective bathrooms.

In recent days, 23 homes were turned over to a self-defense cooperative in Region VI, with their respective latrines and a school. This was in El Balsamo, Tuma.

The housing minister reported that this year the ministry plans to continue promoting the development of peasant settlements, linked above all to coffee production in the departments of Matagalpa and Jinotega, and to strengthen the social conditions of the families involved in the various tasks of the country's principal source of foreign currency.

Other settlements will be built in Special Zone I (in Zelaya Norte) for Miskito and Sumo families that have decided to return to Nicaragua. In particular, 1,000 homes will be built in Mina Rosita with the cooperation of the UN High Commissioner for Refugees (UNHCR), reported the government official.

The Ministry of Housing and Human Settlements has become a state entity in order to solve the country's housing problem, primarily to carry out peasant programs in conjunction with other ministries so that people will not continue to migrate to Managua.

"In addition, I regard it as a matter of justice to solve the problem of housing in rural areas, because agrarian workers lived in a state of neglect for many years, without any education, culture, or health," stated Miguel Ernesto.

We asked Minister Vigil about the role the MINVAH is playing in the case of houses being rented for dollars, and he explained that there is a law governing rentals for foreign currency.

The houses being rented for dollars are those occupied by the embassies, their officials, or representatives of international firms who work in Nicaragua and cannot pay in cordobas.

"In these cases, the responsibility rests with the owners of the buildings. They submit their requests to this Ministry, which authorizes the rental contract. Then the dollars are received and are sent to the Exchange Office, where these owners obtain the rental value in cordobas," he explained.

"It is natural that if someone has two customers, a Nicaraguan and a foreigner, he will give preference to the latter. And this has been misinterpreted, but you must understand that these foreigners do not just come to the country on an excursion, and that a revolution like ours, which is under attack, must defend itself on all fronts. Indeed, this is a fundamental part of the government's policy," he emphasized.

"On the other hand, there are families that choose to rent houses for dollars because this is one way of getting ahead economically, but these rentals are regulated by law.

"The current Tenancy Law was drafted in 1979, when the tenant was the weaker party and the owners were strong. But now things have changed, and the trials, the lawsuits are taking place between poor people.

"We are trying to change that law, but as you know, the National Assembly is immersed in other, more serious problems, and other laws with more priority are being discussed. We are certain that this law no longer responds to the present situation, and we must replace it."

Returning to the housing problem, the minister explained that Nicaragua has experienced accelerated demographic growth.

"Nevertheless, we have advanced in spite of everything," he pointed out. "In 1984 a study was conducted on construction oriented toward the poorest sectors in Central America. The study was prompted by a group of Costa Rican architects, and it revealed that 45 percent of the solutions have emerged in Nicaragua, while the other 55 percent have come from the other countries of the Isthmus, including Panama. It emphasized that the projects in our countries have been financed and directed by the state, and for this reason I believe that in 1985 and 1986 we remain in the forefront. I am going by the favorable comments by international organizations from friendly countries that have reported that Nicaragua has made good use of their efforts in this regard."

"We have a good reputation when it comes to solving housing problems," stressed the minister.

Miguel Ernesto Vigil studied civil engineering at Catholic University in Washington, in the United States, and received his degree in 1959. Afterwards, he studied law at the National Autonomous University of Nicaragua (UNAN) in Leon. He is married and has six children, the oldest of which has already completed his Patriotic Military Service (SMP). Another of his children is mobilized for defense somewhere in Nicaragua.

Until October 1986, Vigil was president of the Union of Socialist Believers, which is an international league with chapters in several European countries, Central America, and Mexico.

At the end of last year, he was hospitalized on an emergency basis after suffering a heart attack. He remained in the Alejandro Davila Bolanos Military Hospital for 9 days, and afterwards he was on doctors' orders to rest until mid-January of this year. He has always been punctual in his work, but today he is not, precisely because of his affliction. Nonetheless, he has not missed a day of work since he was released, and he is always in touch with what is going on in his ministry.

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CSO: 3248/259

GEN ELEAZAR GUTARRA ON DEFENSE MINISTRY, APRA

Lima EL DIARIO in Spanish 30 Mar 87 pp 8-9

[Interview with Brig Gen (ret) Eleazar Gutarra Maravi]

[Text] The controversial case of the Defense Ministry, which, if created, would be under the command of a civilian (naturally an Aprist), has prompted numerous expressions of repudiation.

Members of the parliamentary opposition (United Left, Popular Action, and the Popular Christian Party), retired military officers, and other prominent individuals have expressed disagreement with the creation of this ministry, because "it would represent a step toward the Apristization of the military."

This and other issues were discussed in an interview between EL DIARIO and retired Brig Gen Eleazar Gutarra Maravi, a native of the district of Sicaya, Huancayo. He talked not only about the establishment of the Defense Ministry, but also about the nature of the ruling party.

Gutarra Maravi is the author of the book "The Condor Mountain Range, A Geopolitical Challenge," and will publish another next June. Titled "The Transnational Enterprises in Peru and Latin America," it deals with "the anatomy of our exploitation by the transnational corporations in our own country," he explained. Gutarra also served as Peru's military attache in China.

[Question] At this time the Congress of the Republic is debating the creation of the Defense Ministry, and the American Popular Revolutionary Alliance (APRA) is proposing that special powers be given the executive branch so that it can formulate this bill in 180 days. What is your position on that?

[Answer] There are two things we must look at here. The first is a matter of doctrine: The Defense Ministry has been sought for many years as a means of unifying doctrine with the national defense capability.

The second aspect is the negative one, since now the ruling party is trying to Apristize all agencies of the state, not just the Armed Forces. We have seen it and we still see it in the schools, in the Rimacacuys, and in other institutions. What has happened with the "reorganization" of the Police Forces is very unfortunate. There we have a clear example of Apristization.

APRA wants to dominate all the instruments of government so that it can ensure its continued presence in office. This means that soon there will be just one party: the Aprist Party of Peru (PAP). Its goal is a corporate state subject to the rule of just one party. That would lead us to a fascist dictatorship. That is the same route followed by Hitler in Germany and Mussolini in Italy.

[Question] What do you infer from the fact that members of the three military branches have come out against the Defense Ministry?

[Answer] They also contend that this is not the right moment, because of the Apristization, and we have seen public representatives speak disrespectfully of the officer corps. They have even called retired officers "mummies." But they are the ones who have mummies; they have so many that they are behaving fanatically and without respect.

[Question] Some opposition politicians feel that APRA could Apristize the military without creating the Defense Ministry. What is your opinion on that?

[Answer] It is a little difficult for it to Apristize the military if each minister has his own portfolio, but if there is just one ministry, and up above the minister is an Aprist, either civilian or military, then they will indeed attain that goal.

[Question] During the second special session of the Legislature called by Alan Garcia, there was movement both forward and backward. Why do you think the Defense Ministry bill was not passed?

[Answer] I think that ground was lost among the Aprists themselves. There was no clear position on this issue among them.

[Question] What is your opinion on the highly-publicized "reorganization" of the Police Forces?

[Answer] We have seen that reputable officers have left, and other officers with less seniority have remained, and now we must regard them as the chiefs.

[Question] Does APRA have something new to say with regard to national security in our country?

[Answer] I don't think APRA can contribute anything to national security. This issue involves a discipline that is quite complex, and it is the responsibility of the military schools and the War College. APRA has contributed nothing new.

[Question] The actions the Aprist government has taken against the Peruvian university as an institution are well known. More than a month after the raid on San Marcos, the National Engineering University (UNI), and Cantuta, what are the results of that action, in your view?

[Answer] Everyone knows that it was a serious political error. It was state terrorism, because you can't arrest more than 800 students, you can't destroy

great monuments such as that of "Che" Guevara, you can't destroy study materials, laboratories, and other things that belong to the state and are the product of the people's effort. But how many "terrorists" did they find? I think there are only seven alleged subversives. That is a fascist attitude, no one can deny it. You can't take the life of a worker, of a humble worker. Now his family is suffering the consequences. That is an abuse of power.

[Question] Do you think the government has reflected on its misguided anti-subversion policy?

[Answer] What must be done is to take other economic and political measures. But the government insists on intervening wherever it thinks it can find "Senderists." In this way, it kills and takes prisoners galore. It arrests 800 students with the participation of 4,400 policemen--and for what? To decide in the end that there are only seven "alleged terrorists." Not even the creation of the Special Courts, which do not impose any stiffer penalties on subversives, will solve the problem of terrorism in this country. The death penalty will be even less effective.

[Question] What is your view of APRA's economic policy?

[Answer] The Aprist economic policy has not changed one whit from Belaunde's policy. It is a capitalist economic policy that involves subjugation to imperialism.

The Aprists talk about revolution in beautiful demagogic, rhetorical words. They have even prostituted the word revolution; they call any old thing "revolution." They call any old thing "historic."

[Question] Returning to the matter of the establishment of the Defense Ministry: If this happens, what will await us in the not-so-distant future?

[Answer] The Aprist Party would penetrate everything. If they place the Defense Ministry under their direction, they can put in an Aprist minister. Then the minister will have the power and the authority to make promotions, to make changes, to "invite officers to retire," and even they will be able to promote those they like and those who suit their objectives. In this way, they will be able to cashier all those who oppose their policy and their corporate power.

[Question] But Aprist Senator Larco Cox, when he announced the creation of the Defense Ministry, indicated that the objective was for the members of the military institutions not only to limit themselves to military matters, but also to become more professional. He said that another objective was to eliminate the bureaucracy in the Armed Forces . . .

[Answer] That was what he said, but it is just a smoke screen. Anyone older than 45 knows what APRA is all about, and what it has in store for us. Now they are trying to have a government with just one party. They have begun to sanctify Haya de la Torre. They are building monuments to their "chief" all over the place. Many are even comparing Haya to Bolivar, San Martin, Caceres, and other heroes . . . but those men never sold out their ideals; they died

with them intact. Haya, on the other hand, did sell out. At first he was an anti-imperialist, then a pro-imperialist. Now they want to make Haya de la Torre an exalted figure so that they can convert him into a superior being, sanctify him so that everyone will believe in him.

[Question] But in other countries, or at the international level, the press portrays Alan Garcia as a leader of the Third World, a true anti-imperialist.

[Answer] Well, that is obvious. You can fool all of the people some of the time, but you can't fool all of the people all of the time. That is a fact. His appearance, his manner, his demagoguery make Alan Garcia appear to be a leader. But in our country, the truth is something else. We have major, serious problems in the economic and political spheres. Our means of production, natural resources, and other factors are in the hands of foreign capital. So what revolution are they talking about? . . . In the face of reality, Alan's revolutionary phraseology falls apart.

Eleazar Gutarra Maravi, who served as Peru's military attache in China under the Popular Action government, and was sent to Lebanon as a UN observer in 1958 when the problem of Nasserism arose in the Middle East, to prevent the United States from invading that country, asserted that APRA is forming its own paramilitary forces. "Proof of that is the gigantic arsenal that was found in the residence of the chief of the Puno microregion, someone named Ramirez, who is also the leader of the Aprist Party in Azangaro."

At the same time, he utterly repudiated the government's McCarthy-like tactics in trying to outlaw two political organizations that belong to United Left, the PUM and the UNIR, which are accused by APRA and the right of being the "legal arms" of Shining Path.

At the end of the interview, visibly worried, Gen Gutarra stated that the forces of the left and the truly democratic and progressive forces must join together in the broadest unity to work with the people to prevent what may happen in the future under the ruling party.

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BARRANTES DISCUSSES IU ORGANIZATION, PLANS

Lima EL NACIONAL in Spanish 29 Mar 87 p 3

[Interview with United Left President Alfonso Barrantes Lingan by Zoraida Portillo]

[Text] The president of United Left (IU), Alfonso Barrantes Lingan, denied that there is a "crisis of unity" within this political front, but he admitted that he is organizing the rank and file independently of the executive committee. He has not attended the latter's meetings in the last few months, even though he has been summoned several times.

In addition, he criticized the attitude of President Alan Garcia during his recent visit to Mexico, when he sang some typical songs of that country along with a mariachi band. "The president likes songs, but he should not go overboard," he said, after noting that a leader travels abroad to strengthen intergovernmental relations, not as the president of a political party.

During the press conference he gave at his home yesterday noon for the purpose of presenting the IU education plan, Barrantes once again displayed the sarcasm and biting wit for which he is known. He took advantage of the avid questioning by reporters to respond to critics and detractors.

Barrantes explained that his long silence is due to the fact that he is no longer in public office, so he must be cautious. He complained, however, that the leaders of IU are equally annoyed with him whether he talks or remains silent.

"But they don't want to come to my house to express their points of view," he said. "They are probably afraid of bumping into the president of the republic, so they use you, the press, to ask your clever questions and say what they don't have the nerve to say."

He said the fact that the executive committee has met up to three times without his presence shows that IU can function without him. "And all of a sudden they get used to it, and then there's no more Barrantes," he said.

Nonetheless, when asked if this means he no longer wants to be president, Barrantes reacted immediately: "That is not up to them. The presidency was a

generous decision by the general secretaries, but now it is backed by the masses. I could leave the presidency if I thought IU might have a crisis because of Barrantes, but there are things which cannot be transferred, for example, the affection of the children," he declared.

And when he was reminded that lately he has met more often with the president of the republic than with the leaders of the left, he merely responded: "If they want to come here every day, we have good cheese from Cajamarca here."

"There are those who wish I would abandon the presidency, but then they repent and say no, because I might take a lot of people with me," he added.

When asked with what authority he speaks on behalf of the rank and file of IU, and whether there has been any event or meeting in the meantime that has confirmed him as president of the front, Barrantes admitted: "Just a minute, I am talking about the rank and file that I am organizing silently, because my goal is to have IU rank and file all over the country. Once they have been brought together, there will be provincial and regional meetings, and later a national congress. In that way, these rank-and-file members can democratically elect a new executive committee."

He indicated that a major part of this effort is the issuance of I.D. cards ("one way to assure internal democracy"), and he confessed that his hand was numb because he had signed hundreds of I.D. cards in Trujillo.

On the other hand, Barrantes expressed agreement with the creation of the Defense Ministry, because this will guarantee greater unity in national defense without an anti-military attitude. He pointed out, however, that he is not pleased with the delegation of powers to the executive branch.

"On behalf of United Left, I will say that we do not like the executive doing this, but the legislative votes are obtained by majority, and we must obey them," he stated.

He recalled, though, that when he was mayor, he never abused the majority; on the contrary, he tried to achieve a consensus. "The American Popular Revolutionary Alliance (APRA) must understand that it is not a matter of stonewalling; it must persuade with arguments," he asserted.

"We have a very bad habit of saying, 'If this point of view is not that of my party, it is bad.' Peru needs a coordination of needs and talents, because that would contribute to the country's democratic stability," he said at another point.

Barrantes also mentioned the statements made by the commander general of the Peruvian Air Force (FAP) rejecting the notion of a coup d'etat. He expressed his satisfaction with attitudes like this in a democracy that is still weak, as ours is. He noted that fortunately, the business of the coup remained just a rumor, which will apparently end with the passage of the law creating the Defense Ministry.

He also reported that he has been invited by the Center of High Military Studies to present IU's government plan, which has forced him to postpone his announced trip to China. He had been scheduled to go to China next week.

With regard to Senator Enrique Chirinos Soto's statement about a possible APRA-IU coalition government, Barrantes stated that it was "a very intelligent speculation, but it will not be made a reality." He did note, however, that IU has no problem entering into agreements on matters that benefit the country.

He cited the cases of the Defense Ministry (in which it went along with the parliamentary majority) and the Popular Christian Party (PPC) in the municipality, which was done to prevent a crisis in the city government, he explained.

He declined to take a direct stand on the work of Mayor Del Castillo, however, "because it would be a partial opinion." He stated he totally agreed with the criticism by Henry Pease, who is the appropriate person to do so, he noted.

At another point in the conference, he acknowledged that there are flaws in the "Glass of Milk," especially with respect to what he was most concerned about: not politicizing the program.

"There are sectors of APRA that want to use it for partisan purposes," he accused. He also noted that Del Castillo regrets having removed the specialists that IU placed in the Lima city government. "Now he does not have anyone to work with, but those people, since they are so efficient, are already working elsewhere," he commented.

In his long talk with the press (which he called a reunion with old friends), Barrantes also discussed the Bertello case, asserting that regardless of whether he agrees with the probation, the executive branch had intervened in the case, something which may be politically correct but not appropriate from the standpoint of the structure of government.

"The executive cannot tell anyone to disobey a judge's order, because then we might as well transfer the courts to the Palace of Government," he indicated. He said that protecting the independence of the judiciary also means having good judges.

The United Left education plan that was presented yesterday will be submitted to Education Minister Grover Pango at the express request of the minister, reported Barrantes.

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DEMOCRATIC LAWYERS HEAD RESPONDS TO CARETAS CHARGES

Lima EL DIARIO in Spanish 27 Mar 87 pp 8-9

[Interview with Atty Martha Huatay Ruiz, president of Democratic Lawyers Association of Peru, by EL DIARIO]

[Text] The noted social activist Atty Martha Huatay Ruiz, president of the Democratic Lawyers Association of Peru, granted an interview to EL DIARIO in which she categorically rejected the defamation campaign CARETAS has launched in an effort to have her arrested. She announced that the organization she heads will send a letter to that weekly publication demanding a retraction, and she even hinted that she will take legal action against the magazine for linking her to the Communist Party of Peru-Shining Path.

In this conversation, Huatay also talked about the role United Left (IU) as a whole is playing in Parliament with respect to the creation of the Defense Ministry.

[Question] What actions will your organization take in response to the story published in the magazine CARETAS on Monday the 23rd, linking you to this subversive organization in the article titled "Urban Path"?

[Answer] We are preparing a letter to be sent to CARETAS and the other mass media demanding a retraction. What CARETAS is doing amounts to an appeal to the government to have me arrested, along with the other members of the association.

I reject the terms used by that magazine. We are analyzing the letter point by point, and if CARETAS does not correct its version, we will have to file a complaint. We will not accept the accusations being lodged against us.

[Question] What role do you think this magazine is playing, specifically?

[Answer] You may recall when the magazine CARETAS, as well as other organs of the print media, asked why there was no intervention in the prisons, and later the intervention came. Afterwards it asked the same question about the universities, and then they were also assaulted by the police forces.

Now, inasmuch as the armed actions continue to occur, despite my wishes and those of CARETAS and all the reactionaries, what does it do? It attacks the Democratic Lawyers Association, alleging it is a front organization for the subversives.

[Question] How old is the organization you lead, and for what purpose was it formed?

[Answer] It was formed in 1977, before the armed actions began. As evidenced by its pronouncements, the Democratic Lawyers Association has always denounced those who run the state, and has always defended the interests of the people. It has always done so, and will continue to do so as long as it exists.

[Question] What kind of financing does your association have? CARETAS contends that the source of your organization's economic support is a mystery.

[Answer] In the first place, our institution is one of those organizations that are of a popular nature. The organizations of the people are supported by their own members; in other words, each and every member contributes.

We are professionals who are active in the various areas of law. Consequently, if we are practicing professionals, we have sufficient income. To be sure, we do not earn as much as corporate lawyers or others, but we eke out a living by our own efforts, and we do not receive money from any organization. I don't know where the mystery CARETAS mentioned is.

To issue a communique, we have the support of our members, and even some people who are not members contribute something.

[Question] The kidnapping of Atty Vasquez Huayca, the arbitrary arrest of labor leader Jose Chavez Canales, and now this insinuation by CARETAS against the institution you head: Are these perhaps the beginning of the elimination of the right to labor and political defense in this country?

[Answer] We condemn the arrest of Chavez Canales and we reject the accusation the police are making against him on the basis of the statements made by a person who was arrested and may very well have been tortured into pointing the finger at him.

The arrest of Chavez Canales points to massive arrests of progressive lawyers, but I would like to remind you of what happened to Atty Jose Vasquez Huayca, who has been used to intimidate classist lawyers. We should bear in mind that Vasquez Huayca is an attorney who belongs to our association, which CARETAS is now taking great pains to portray as a "front" organization.

[Question] So CARETAS is taking the kidnapping and disappearance of Dr Vasquez Huayca as a macabre but valid precedent for facilitating the implementation of the "antissubversive police," and the same thing will happen with the arrest of Atty Chavez Canales?

[Answer] That's right, and this shows just why Dr Jose Vasquez Huayca was arrested and kidnapped, and who knows what else they have done to him. We are

even blaming CARETAS, the government, and the Anti-Terrorism Office (DIRCOTE) right now for whatever may happen to us--to me personally and to the other attorneys.

Why is it calling so insistently for intervention in our institution? Such a measure would involve not only an intervention, but also our kidnapping and disappearance, as happened to Dr Jose Vasquez Huayca.

[Question] Bearing in mind these precedents, don't you think that the so-called "antisubversion" policy that the American Popular Revolutionary Alliance (APRA) is pursuing, as manifested in the disappearances, kidnappings, and genocide, is moving to the urban area--that is, Lima--using CARETAS' defamatory campaign as a basis?

[Answer] Yes, it has come to Lima with the kidnapping of Dr Jose Vasquez Huayca. After the genocide of the inmates in the prisons came the assault on the universities, and now they are taking aim at the Democratic Lawyers Association and its members. Next they will go after other labor organizations; they are already pointing the finger at Mrs Sybila Arredondo de Arguedas, a widow who is accused of being my protegee. In other words, they have other institutions in their sights.

There is no doubt that this is the tactic called for in the Aprist antisubversion plan, which responds to the dictates of the American imperialists.

[Question] Does the creation of the Defense Ministry fall within this government plan? Even the reformists represented by United Left have supported this project.

[Answer] It is a matter of restructuring the Armed Forces in order better to combat subversion. The Armed Forces are the backbone of the state, so here there is no question of Apristizing or anything like that; it is simply an effort to structure the military so that it can fight more effectively within the genocidal plan already outlined (it has no other), and try to pit the masses against each other. It has already been doing this in the countryside, where crimes are being perpetrated constantly.

[Question] And what about IU's role?

The parliamentarians of IU, according to the statements made by some of them, also included in their own government plan the creation of a Defense Ministry. It is very simple: The IU parliamentarians are collaborating with the government; they are supporting the state. I think they will continue playing that role, because that is their line.

Let us not forget that there are old-style revisionists and new-style revisionists, and the current "leftists" are new-style revisionists. It is not necessary to talk about Apristization, because in the final analysis United Left agrees with the way APRA has been developing its antisubversion plan. And if not, let us recall Alfonso Barrantes' call for the creation of an Antiterrorist Front. We recall it well, and then came the genocide.

We also recall that Barrantes and the entire leadership of United Left agreed to have the prisons turned over to the Armed Forces, and they knew just what would happen. Moreover, they were well aware of the measures Alan Garcia had taken with regard to the prisons. So the case of the Defense Ministry is not an isolated incident.

[Question] A few days ago, retired Gen Luis Cisneros Visquerra subtly hinted on a television show that a coup might take place. He attributed this possibility to APRA's inability to govern. Do you agree with this assertion by the "Gaucho"?

[Answer] There may be a coup, because when civilians are unable to properly steer the ship of state, their backbone takes over the helm. And that may be, because we do not believe this business about the Armed Forces destroying the democracy with a coup. For us, this democracy has a name, and democracy is a class phenomenon. Consequently, this is the democracy of the bourgeoisie and of the landowners; this is the democracy that the Armed Forces defend. When they believe that APRA can no longer defend this type of democracy adequately, then there will be a coup.

[Question] With the military in power, don't you think there would be increased repression against the organizations in arms, specifically the Communist Party of Peru?

[Answer] If they are in control of the state, they will no longer need civilians. They will continue implementing their genocidal plan on their own. Many have already predicted this, including historian Pablo Macera. The issue lies in the contradiction between the revolutionary Armed Forces and the reactionary Armed Forces. And I'm not the only one who is saying this; those who are studying the situation from the standpoint of their expert knowledge are saying it.

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'IMPORTANT' CHANGES IN POLICE FORCES REPORTED

Lima EL NACIONAL in Spanish 29 Mar 87 p 6

[Text] Peruvian Investigative Police (PIP) Gen Raul Chavez Gonzalez, chief of police of the Justice Ministry and head of the Police Investigative Commission in the highly-publicized drug trafficking case known as "Villa Coca" (which caused charges to be filed against five police generals, one of whom is in prison) has been promoted to regional chief of the PIP in Iquitos.

His appointment is part of the annual promotion plan of that police institution, which at the same time involves a major reshuffling of police officials.

The investigations conducted by Gen Chavez were key factors in the work of the police reorganizing commission. At least 100 police officers involved in the illicit activities of drug trafficker Reynaldo Rodriguez Lopez, aka "El Padrino," were discharged.

Chavez will be replaced temporarily by the assistant director of the PIP in the Justice Ministry, Col Victor Araos Diaz.

On Thursday the 26th, PIP Gen Froilan Palacios Hernandez took the oath of office as chief of the General Office of Criminal Investigation (DIC). He had previously served as chief of the PIP Anti-Kidnapping Division (DIVISE). The DIC is a new division which will coordinate the efforts of the kidnapping, homicide, missing persons, robbery, and fraud departments.

The recently promoted PIP Gen Juan Salas Cornejo, until recently director of counterintelligence, has been promoted to the post of chief of the general staff of the Anti-Terrorism Office (DIRCOTE). As such, he is second in command in that division, under Gen Fernando Reyes Salas. Gen Reyes Salas did not participate in the reorganization of the Police Forces, as we erroneously reported in a previous article. On the roster of general officers, he has an impeccable professional record.

In other important appointments, Gens Horacio Lopez Vargas and Augusto Saldivar Campos were named chief inspector and director general of administration, respectively, in the PIP. Lopez had been in charge of the

Anti-Narcotics Office (DINTID), and he will be replaced by Gen Gustavo Peralta Sanchez.

It was also learned that PIP Gens Victor Gastelu Welsch and Fernando Reyes Roca will remain indefinitely in their positions as chiefs of State Security and DIRCOTE.

Gen Eugenio Arroyo Valverde has left the Intelligence Office to serve as director of the Center of High Police Studies.

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TOUR COMPANIES SELL FAKE VISAS

Lima EL COMERCIO in Spanish 24 Mar 87 p A-11

[Text] Director of Migration Ricardo Chiang Wong complained that there are phantom tour companies in Lima which deceive gullible travelers by selling them fake visas for various countries, particularly Mexico.

He stated that those who have been arrested with these false documents claim that the visas are sold for \$1,500 to \$2,000 (approximately 30,000 to 40,000 intis).

He indicated that the large number of Peruvians who have been caught with false visas in Mexican airports has forced the authorities of that country to request that the Peruvian Office of Migration institute a special program to inspect these documents in Lima.

"In the 5 months that we have been conducting these inspections, we have found no fewer than 100 people with false Mexican visas. Through this effort, we are also protecting the country's reputation abroad," he added.

The official indicated that the function of the Office of Migration is to check passports and enforce the payment of duties, not to check visas. "These documents are examined at the passengers' destination by the officials of that country. That is why this is a special case," he noted.

The entry of Peruvians with fake visas is not a recent problem; it dates back many years. Usually their final destination is the United States.

One of the companies involved in this business was discovered in 1985. It was owned by Reynaldo Rodriguez Lopez, "El Padrino."

According to police investigations, he got at least 1,000 illegals into the United States through this business, called International Tourist Services (SETURIN).

The company would organize tours to Mexico for this purpose. The group that went would have fake visas, and in fact the majority of their documents were forged. Once in the Aztec nation, they would secretly enter the United States.

PERU

BRIEFS

SOVIET FOLKLORE GROUP PERFORMANCE--Today, Tuesday 10 March at 1900 hours, the extraordinary show put on by the Soviet Folklore Troup "Druzhba" will be presented in the only performance to be given in Peru, at the hall of the Peruvian-Soviet Cultural Association, at No 774 Avenida Salaverry, Jesus Maria. The famous singer Olga Bulgakova will be participating. The Druzhba Folklore Troup is one of the most important in the Soviet Union, and it is in Lima for just one day. It has been a resounding success on its tour of various European and Latin American capitals. Admission is free. [Text] [Lima EL DIARIO in Spanish 10 Mar 87 p 2] 8926

CUBAN PLANNING ASSISTANCE--The Cuban Government will advise us in the area of planning, sending three specialists in this field to Lima. They will remain in Peru for 3 months, touring the principal cities of the country during that time. This was announced yesterday by a high-ranking official of the National Institute of Planning (INP), David Sifuentes Ibarra, shortly before leaving for Havana, Cuba. There he will participate in the meeting of Latin American planning ministers that is being held in that city this week. With regard to the paper that Peru will present at the conference, Sifuentes Ibarra first noted that he will be representing INP chief Javier Tantalean Arbulu, and then went on to say that the paper will basically deal with the working plans our country is carrying out in the area of planning. [Text] [Lima EL NACIONAL in Spanish 23 Mar 87 p 3] 8926

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